# ANNUAL PERFORMANCE REPORT

## 2000/2001

FOREST RENEWAL BC

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# Message from the Chair and Chief Executive Officer

Forest Renewal BC continues to evolve. We have made major changes as we continue to learn from experience and look for the best and most efficient way to build partnerships and deliver our investments.

Three years ago, we committed to performance-based management—to becoming a leader in British Columbia. All of our investments come with key targets and performance measures. Our goal is to be a high-performance, results-oriented organization. Based on that, our long-term strategic plan lays out clearly defined, measurable goals that have evaluation and audit plans to give us feedback on performance.

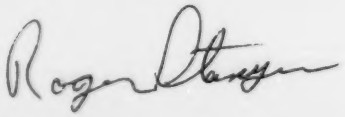
March 31, 2001 marked the completion of year two of our five-year strategic plan. The results from the $270.8 million that we invested during this year are clear and impressive:

- 66,491 hectares of second-growth forest treated to improve timber growth and quality,
- 5 million cubic metres of second-growth fibre added to B.C.'s potential future harvest,
- 481 kilometres of stream restored, and 3,802 kilometres of environmentally damaging old logging roads either deactivated or rehabilitated,
- a $128 million increase in sales for B.C. manufactured wood products,
- 48 forest-dependent community groups helped, and 343 small forest businesses assisted either with start-up or expansion,
- 600 displaced forest workers helped, and
- 56 joint ventures created, most with First Nations.

These accomplishments are possible because, right across the province, partnerships have been built and worked on with companies, environmentalists, communities, workers, associations, and First Nations—each bringing its talents, values and perspectives to the shared goal of renewing B.C.'s forests.

Only in British Columbia has the commitment to recognizing and respecting all the values in the forest been made a reality. Each value is made real through Forest Renewal BC strategic investments that provide the greatest return in economic, ecological or social capital.

Forest Renewal BC was created in 1994 as a long-term investment in B.C.'s future, with long-term goals. As this performance report illustrates, we are seeing real progress on those objectives, as early investments now begin to pay significant dividends in renewing the forest sector. The commitment of British Columbians to restoring and renewing our forests is stronger than ever, and we will continue to work with our partners to make the changes that will build a sustainable forest economy in British Columbia.



Roger Stanyer
Chair of the Board and Chief Executive Officer
Forest Renewal BC

# 2000/01 Highlights

In its first seven years of operations, Forest Renewal BC has made a significant contribution to B.C.'s forests and the workers and communities that rely on them. During that time, the corporation has had to continually adapt to rapidly changing conditions and priorities in the forest sector.

In November 2000, Forest Renewal BC board members and staff travelled to 16 communities and consulted with more than 300 people to hear their views on community involvement in Forest Renewal BC. Participants included forest community mayors and elected officials, environmental groups, small and large forest companies, local economic development interests, First Nations, labour, and other stakeholders and partners.

Stakeholders strongly affirmed the mandate of Forest Renewal BC. The overwhelming message, from all stakeholder groups, was support for the long-term objectives of renewing B.C.'s forest resources and the communities that depend on them.

Forest Renewal BC also heard a number of very positive suggestions for changes to enhance the level of community engagement in and the regional accountability of the corporation. The groups asked Forest Renewal BC to reconnect to its partnership with communities and First Nations. They also asked for more opportunities to partner in service delivery, and to discuss and hear about the land-use planning and forest management objectives for their regions. Communities expressed particular interest in the potential to diversify their local forest economies through Value-added and Communities investments.

The consultations identified a strong community need for information at all levels of the decision-making processes. As a result, the board will re-establish a regional advisory process in 2001/02, which will be co-chaired by regional board members.

As well, community groupings will be invited to participate in pilot projects that allow them to enter into agreements with Forest Renewal BC to manage local non-land-based investments.

The 2000/01 fiscal year was Forest Renewal BC's second operational year of investment under its *Strategic Plan 1999 – 2003*. Working within the context of the strategic plan allowed the corporation to focus on activities that related directly to stakeholders' needs, while optimizing the return from each dollar invested. Although revenue has declined in the last two years, Forest Renewal BC and its delivery partners have been able to successfully streamline activities and produce encouraging results.

Key achievements during the year included the following:

- Investments in enhanced silviculture and backlog will add 5 million cubic metres ($m^3$) to the timber available for potential future harvest, which means that Forest Renewal BC is on track to achieve its five-year target of 25 million $m^3$.
- As stated in the *Strategic Plan 1999 – 2003*, Forest Renewal BC began, during 2000/01, to shift a larger portion of its investments to the top 20 per cent of the highest-priority watersheds in the province. As a result, the corporation and its partners will complete, by fall 2001, detailed restoration plans for not only the highest-priority 157 watersheds that were identified, but for an additional 18 above that target.

- Work continues on identifying the key knowledge gaps related to upcoming Timber Supply Review decisions, and on implementing strategic land-use plans. Investments under this strategic objective are being shifted to address these priority knowledge gaps.
- Investments of $21.2 million were allocated to implementing Forest Renewal BC's Value-added Strategy in 2000/01, to generate approximately $128 million in additional sales by the B.C. primary and secondary manufacturing sectors. Other achievements included improvements in sector organization, knowledge of markets, the application of technology, access to financing, and the way in which strategic skill gaps are being met.
- Discussions with stakeholders and partners throughout the province revealed a consistent desire for greater regional representation on the corporation's board of directors and board advisory committees.

In response, three new representatives from northern B.C. were appointed to the board, and six members of the board will be designated as regional representatives. They will help bring direct community input to the work of the board and its advisory committees, and will co-chair a regional advisory process.

These representatives will serve alongside sectoral representatives and be accountable to the stakeholders in each of the six forest regions. This will ensure regional needs are reflected in board decisions relating to the entire Forest Renewal BC budget.

# Corporate Overview

In June 1994, the province enacted the *Forest Renewal Act* to renew the forest economy of British Columbia by, among other things, improving forest management of Crown lands, supporting training for displaced forestry workers, and promoting enhanced community and First Nations involvement in the forestry sector.

To achieve these objectives, the *Forest Renewal Act* called for the creation of Forest Renewal BC, a Crown corporation, and authorized it to work with a broad array of partners across B.C. to help build a more diversified, sustainable forest economy that supports local communities, workers and their families. Through these partners, which include educational institutions, First Nations groups, community groups, forest companies, and other government agencies, Forest Renewal BC makes strategic investments to renew the Crown's forests, improve knowledge about sustainable forest management techniques, support forest-dependent communities and workers, and promote the expansion of value-added forest product industries.

## VISION

British Columbia is the world leader in enhanced, sustainable forest management for a full range of uses, with vibrant forest communities and a globally competitive forest sector.

## MANDATE

To plan and implement a program of investments to renew the forest economy of British Columbia by enhancing the productive capacity and environmental values of forest lands, creating jobs, providing training for forest workers, and strengthening local communities that depend upon the forest industry.

## VALUES

Forest Renewal BC's values include accountability, collaboration and partnership, ecological integrity, innovation, local needs, and adaptability.

## STRUCTURE

Forest Renewal BC is governed by an 18-member board of directors. Board members, who represent the major stakeholder groups and regions of the province, ensure the corporation's activities are in keeping with its mandate. The board also sets Forest Renewal BC's strategic priorities, and reviews and approves its investment and operational plans. Specialized committees advise the board on how best to invest in, foster and develop new programs and policies.

The corporation has six regional offices, located in Williams Lake, Prince George, Kamloops, Smithers, Cranbrook and Campbell River. Regional staff work with communities, groups and individuals to ensure that there is local involvement in regional investment plans and priorities. (Forest Renewal BC does not deliver programs. Individual companies, associations, unions, communities, environmental and other groups are responsible for project implementation.)

Forest Renewal BC executive and corporate support staff are located in Victoria.

## FUNDING

Funding for Forest Renewal BC comes from stumpage paid by forest companies for the right to harvest timber on Crown land in B.C. The Crown owns 94 per cent of the land in the province.

Under the authority of the *Forest Renewal Act*, at the outset the corporation was entitled to 80 per cent of the increases in stumpage resulting from changes to the *Forest Act* in 1994, minus an offset of up to $50 million annually.

Based on a new pricing structure effective June 1, 1998, stumpage revenue received by Forest Renewal BC was reduced by a further factor to recognize policy decisions by the forests minister. Stumpage revenue is sensitive to harvest levels, the Canada/U.S. exchange rate, and a volatile lumber market.

To safeguard program funds against several consecutive years of low revenues, a program continuity reserve was established in 1995/96. At the end of 2000/01, the reserve stood at $372 million.

# Forest Renewal BC's Strategic Plan

The *Forest Renewal BC Strategic Plan 1999 – 2003* was published in August 1999. It identified the challenges and opportunities facing the forest sector and described Forest Renewal BC's corporate direction and priorities for the next five years. Under this strategic plan, the corporation's investments and operations are guided by four corporate commitments and seven strategic objectives.

## PROGRESS ON MEETING CORPORATE COMMITMENTS

One of Forest Renewal BC's unique features is its four corporate commitments. They reflect the corporation's founding principles and core values, and are incorporated into all of Forest Renewal BC's operational and investment decision-making processes. While the corporation's strategic objectives may change over time, these four corporate commitments remain constant:

### REGIONAL EQUITY

Forest Renewal BC has made a commitment to allocate investments based on strategic priorities and opportunities, for investment in a manner that equitably addresses the needs of communities in each region. (Table 1 shows the 2000/01 program investments by region for six of the corporation's strategic objectives.)

### FIRST NATIONS PARTICIPATION

Forest Renewal BC has made a commitment to maintain, over the next five years, the level of First Nations participation achieved in 1997/98 (i.e., 7 per cent of investments managed by First Nations and 12 per cent of the people employed through Forest Renewal BC). Under that commitment, it will also increase the number and quality of First Nations business partnerships with the forest sector.

The level of First Nations participation in 2000/01 was approximately 6.9 per cent of investments managed and 12 per cent of employment. This level of participation is nearly at target (1997/98) levels. Forest Renewal BC will be monitoring First Nations participation closely over the next three years to meet this commitment.

During 2000/01, Forest Renewal BC encouraged the development of 56 new joint ventures/partnerships, most between First Nations and businesses operating in the forest sector. These business ventures will provide new employment and business opportunities for First Nations across the sector, in primary and secondary, in logging, road building, silviculture and value-added manufacturing.

### STAKEHOLDER INVOLVEMENT

From the beginning, Forest Renewal BC has been a partnership of stakeholders among industry, workers, First Nations, government, community and environmental groups across the province, all working together to tackle the numerous challenges facing the forest sector. Forest Renewal BC has made a commitment to consult with all partner groups on investment plans, by way of a multi-stakeholder board of directors and its advisory committees. The membership of the board and its five advisory committees are listed in Appendices B and C, respectively.

Forest Renewal BC is also committed to involving stakeholders in the delivery of its investments. The involvement of Forest Renewal BC's partners in delivering the 2000/01 investments is shown in Figure 1.

FIGURE 1: STAKEHOLDER INVOLVEMENT IN THE DELIVERY OF FOREST RENEWAL BC INVESTMENTS

- Community group
- Displaced forest workers
- Environmental group
- First Nations
- Government: federal/provincial/regional/municipal
- Independent forest-industry contractor
- Industry
- Industry association/organization
- Non-industry association/organization
- Post-secondary institution
- Union/workers association
- Woodlots/woodlot association

Approximately $25.9 million was leveraged through partnerships with its stakeholders this year in the delivery of Forest Renewal BC's investments.

## EMPLOYMENT CREATION

Forest Renewal BC is committed to creating and maintaining sustainable forest jobs through short-term employment on Forest Renewal BC-funded projects, such as enhanced forestry and watershed restoration projects, as well as over the longer term. Long-term jobs will be created via additional and/or new products and services from B.C.'s forests, and through the economic diversification of communities currently dependent on forest investments.

In 2000/01, Forest Renewal BC investments created more than 3,200 person-years of direct short-term employment. The corporation's first three (land-based) strategic objectives account for more than 90 per cent of the total.

In addition to direct employment, Forest Renewal BC's investments create both indirect employment, for people who supply services to Forest Renewal BC-funded projects, and induced employment, which stems from the income expenditures of workers on those projects.

## TABLE 1: ACTUAL PROGRAM INVESTMENTS IN 2000/01, BY STRATEGIC OBJECTIVE, BY FOREST REGION

| ($Millions) | Cariboo-Chilcotin | Kootenay-Boundary | Omineca-Peace | Pacific | Skeena-Bulkley | Thompson-Okanagan | Province-wide | Total Investments | Business Plan | Variance |
|---|---|---|---|---|---|---|---|---|---|---|
| **STRATEGIC OBJECTIVE** | | | | | | | | | | |
| **SUSTAINABLE HARVEST** | | | | | | | | | | |
| **Increasing the Productivity and Value of Second-growth Forests** | | | | | | | | | | |
| **Enhanced Forestry** | 4.39 | 2.40 | 2.57 | 13.40 | 5.51 | 3.84 | 3.06 | 35.17 | 37.22 | 2.06 |
| **Tree Improvement** | 0.22 | 0.48 | 0.31 | 1.94 | 0.36 | 0.34 | 1.13 | 4.80 | 9.70 | 4.90 |
| **Research** | 0.07 | 0.01 | 0.18 | 2.18 | – | 0.14 | 0.92 | 3.51 | 4.10 | 0.59 |
| **Endowment** | – | – | – | – | – | – | 0.15 | 0.15 | 0.35 | 0.20 |
| **Increasing the Forest Growing Area** | | | | | | | | | | |
| **Backlog Silviculture** | 6.29 | 4.73 | 22.35 | 7.20 | 4.46 | 4.05 | 0.44 | 49.50 | 53.58 | 4.08 |
| **Small Woodlands** | – | 0.24 | – | – | – | – | 1.02 | 1.26 | 2.10 | 0.84 |
| **Research** | – | – | – | – | – | – | – | – | 0.96 | 0.96 |
| **Performance Measurement, Evaluation and Audit** | | | | | | | | | | |
| **Performance Measurement, Evaluation and Audit** | – | – | – | – | – | – | 0.26 | 0.26 | 0.40 | 0.14 |
| **Investments Being Phased-out** | | | | | | | | | | |
| **Bridge Replacement** | – | – | – | – | – | – | – | – | 0.23 | 0.23 |
| **Research for Access to Harvesting** | – | – | – | – | – | – | – | – | 0.08 | 0.08 |
| **Watershed Restoration – Access** | – | 0.11 | 0.04 | – | – | – | – | 0.15 | – | (0.15) |
| **SUBTOTALS** | **10.97** | **7.97** | **25.45** | **24.72** | **10.33** | **8.37** | **6.99** | **94.79** | **108.73** | **13.94** |
| **ENHANCE ENVIRONMENTAL VALUES** | | | | | | | | | | |
| **Protecting and Restoring Watersheds** | | | | | | | | | | |
| **Watershed Restoration** | 3.51 | 3.08 | 4.65 | 26.19 | 3.96 | 5.45 | 6.48 | 53.32 | 52.11 | (1.21) |
| **Ecosystem Restoration Pilots** | – | – | – | – | – | – | 0.48 | 0.48 | 0.40 | (0.08) |
| **Research** | – | 0.48 | 0.35 | 1.16 | – | 0.28 | 0.46 | 2.73 | 2.01 | (0.72) |
| **Endowment** | – | – | – | – | – | – | 0.31 | 0.31 | 0.55 | 0.24 |
| **Enhancing Forest Stewardship Values** | | | | | | | | | | |
| **Recreation** | 0.05 | – | 0.09 | 0.40 | – | 0.35 | – | 0.89 | 2.00 | 1.11 |
| **Increasing Land Area for Biodiversity** | | | | | | | | | | |
| **Private Forest Biodiversity** | – | – | – | – | – | – | 4.22 | 4.22 | 1.50 | (2.72) |
| **Performance Measurement, Evaluation and Audit** | | | | | | | | | | |
| **Performance Measurement, Evaluation and Audit** | – | – | – | – | – | – | 0.19 | 0.19 | 0.22 | 0.03 |
| **Investments Being Phased-out** | | | | | | | | | | |
| **Fisheries Renewal BC** | – | – | – | – | – | – | 0.76 | 0.76 | – | (0.76) |
| **SUBTOTALS** | **3.56** | **3.56** | **5.09** | **27.75** | **3.96** | **6.08** | **12.90** | **62.90** | **58.78** | **(4.12)** |
| **STRENGTHEN SUSTAINABLE FOREST MANAGEMENT** | | | | | | | | | | |
| **Providing Information and Tools** | | | | | | | | | | |
| **Resource Inventory – Field** | 3.42 | 4.30 | 11.26 | 8.61 | 4.87 | 8.14 | 1.51 | 42.10 | 42.48 | 0.37 |
| **Resource Inventory – Framework** | 0.10 | – | – | – | – | – | 9.15 | 9.26 | 10.19 | 0.94 |
| **Research** | 0.36 | 0.44 | 0.79 | 2.50 | 0.45 | 0.78 | 2.67 | 8.00 | 8.08 | 0.08 |
| **Crown Land-Use Planning** | 0.08 | 0.22 | 0.20 | 0.93 | 0.21 | 0.43 | 0.78 | 2.83 | 2.91 | 0.08 |
| **Endowment** | – | – | – | – | – | – | 0.18 | 0.18 | 0.20 | 0.02 |
| **Piloting and Monitoring New Approaches and Tools** | | | | | | | | | | |
| **IFPAs[1]** | 3.84 | 2.21 | 1.11 | 0.92 | 0.63 | 3.63 | 0.02 | 12.34 | 12.84 | 0.50 |
| **EFMPPs[2]** | – | 0.24 | 0.64 | 0.59 | 1.40 | – | 0.10 | 2.97 | 2.19 | (0.77) |
| **Performance Measurement, Evaluation and audit** | | | | | | | | | | |
| **Performance Measurement, Evaluation and Audit** | – | – | – | – | – | – | 0.21 | 0.21 | 0.30 | 0.08 |
| **Investments Being Phased-out** | | | | | | | | | | |
| **Resource Inventory – Framework (Traditional Use Studies)** | – | – | – | – | – | – | 1.88 | 1.88 | 1.31 | (0.56) |
| **Resource Inventory – Operational Requirements** | 0.35 | 0.49 | 0.19 | – | – | – | – | 1.03 | 0.40 | (0.63) |
| **Research -- Operational Requirements** | – | – | 0.05 | 0.13 | 0.11 | – | 0.01 | 0.30 | 0.39 | 0.09 |
| **Other** | – | – | – | – | – | – | 0.21 | 0.21 | – | (0.21) |
| **SUBTOTALS** | **8.15** | **7.89** | **14.24** | **13.66** | **7.67** | **12.98** | **16.73** | **81.32** | **81.30** | **(0.02)** |

## TABLE 1: ACTUAL PROGRAM INVESTMENTS IN 2000/01, BY STRATEGIC OBJECTIVE, BY FOREST REGION cont'd...

| ($Millions) | Cariboo-Chilcotin | Kootenay-Boundary | Omineca-Peace | Pacific | Skeena-Bulkley | Thompson-Okanagan | Province-wide | Total Investments | Business Plan | Variance |
|---|---|---|---|---|---|---|---|---|---|---|
| **STRENGTHEN AND EXPAND THE VALUE-ADDED SECTOR** | | | | | | | | | | |
| **Improving Sector Organization** | | | | | | | | | | |
| Industry Infrastructure | – | 0.03 | 0.12 | 0.16 | – | 0.02 | 1.70 | 2.04 | 1.75 | (0.29) |
| **Increasing Knowledge** | | | | | | | | | | |
| Market Development | – | – | 0.05 | 0.88 | – | – | 8.78 | 9.71 | 7.90 | (1.81) |
| **Increasing Application of New and Existing Technologies** | | | | | | | | | | |
| Technology Transfer | – | – | – | – | – | – | 2.51 | 2.51 | 1.40 | (1.11) |
| Innovation Development | – | – | – | – | – | – | 1.15 | 1.15 | 1.00 | (0.15) |
| Research | – | – | – | – | – | – | 0.56 | 0.56 | 0.75 | 0.19 |
| Endowment | – | – | – | – | – | – | 0.23 | 0.23 | 0.23 | 0.01 |
| **Increasing Access to Financing** | | | | | | | | | | |
| Value-added Business Development | 0.06 | – | – | – | – | – | 0.78 | 0.85 | 2.10 | 1.25 |
| **Meeting Strategic Skills Gaps of Existing Value-added Workers** | | | | | | | | | | |
| Value-added Training | – | – | – | – | – | – | 4.12 | 4.12 | 5.00 | 0.88 |
| **Performance Measurement, Evaluation and Audit** | | | | | | | | | | |
| Performance Measurement, Evaluation and Audit | – | – | – | – | – | – | 0.07 | 0.07 | 0.07 | – |
| SUBTOTALS | 0.06 | 0.03 | 0.17 | 1.04 | – | 0.02 | 19.90 | 21.23 | 20.20 | (1.03) |
| **SUPPORT FOREST WORKERS THROUGH TRANSITION** | | | | | | | | | | |
| **Increasing the Employability of Workers** | | | | | | | | | | |
| Forest Worker Re-employment Services | 0.08 | 0.04 | 0.01 | 0.49 | 0.04 | 0.05 | 0.71 | 1.42 | 14.65 | 13.23 |
| **Increasing the Number of Students Pursuing Forestry Careers** | | | | | | | | | | |
| Bursary | – | – | – | – | – | – | – | – | 0.10 | 0.10 |
| **Performance Measurement, Evaluation and Audit** | | | | | | | | | | |
| Performance Measurement, Evaluation and Audit | – | – | – | – | – | – | 0.01 | 0.01 | 0.06 | 0.05 |
| **Investments Being Phased-out** | | | | | | | | | | |
| Forest Resource Technology | – | 0.09 | 0.12 | – | 0.54 | – | 0.02 | 0.77 | 1.00 | 0.23 |
| Forest Worker Transition | – | – | – | – | – | – | 0.54 | 0.54 | 0.25 | (0.29) |
| SUBTOTALS | 0.08 | 0.13 | 0.14 | 0.49 | 0.58 | 0.05 | 1.27 | 2.74 | 16.06 | 13.32 |
| **SUPPORT FOREST COMMUNITIES EXPERIENCING MAJOR JOB LOSS** | | | | | | | | | | |
| **Increasing Forest Community Diversification** | | | | | | | | | | |
| Forest Community Economic Development | 0.05 | 0.18 | – | 0.43 | – | 0.07 | 0.47 | 1.21 | 5.00 | 3.79 |
| Municipal Bond Fund | – | – | – | – | – | – | – | – | 2.50 | 2.50 |
| **Increasing the Participation of First Nations** | | | | | | | | | | |
| Forest Community Economic Development | 0.12 | 0.01 | 0.20 | 0.39 | 0.17 | 0.23 | 0.56 | 1.67 | 4.50 | 2.83 |
| **Increasing the Financing Capacity of Communities** | | | | | | | | | | |
| Forest Community Business | – | 0.13 | – | 0.90 | 0.10 | 0.45 | 0.50 | 2.08 | 2.00 | (0.08) |
| **Performance Measurement, Evaluation and Audit** | | | | | | | | | | |
| Performance Measurement, Evaluation and Audit | – | – | – | – | – | – | 0.01 | 0.01 | 0.05 | 0.04 |
| SUBTOTALS | 0.17 | 0.32 | 0.20 | 1.72 | 0.28 | 0.75 | 1.53 | 4.97 | 14.05 | 9.08 |
| **SUBSIDIARIES** | | | | | | | | | | |
| New Forest Opportunities Ltd. | – | – | – | 1.88 | – | – | – | 1.88 | 2.00 | 0.12 |
| Jobs and Timber Accord Advocate | – | – | – | – | – | – | 0.96 | 0.96 | 0.50 | (0.46) |
| SUBTOTALS | – | – | – | 1.88 | – | – | 0.96 | 2.84 | 2.50 | (0.34) |
| TOTALS | 22.99 | 19.90 | 45.29 | 71.27 | 22.81 | 28.24 | 60.30 | 270.79 | 301.62 | 30.83 |
| PROVINCE-WIDE ALLOCATION | 9.22 | 9.04 | 9.38 | 13.76 | 9.43 | 9.46 | (60.30) | – | – | – |
| TOTALS (includes Province-wide allocation) | 32.22 | 28.94 | 54.67 | 85.03 | 32.24 | 37.70 | – | 270.79 | 301.62 | 30.83 |

1 Innovative Forest Practices Agreements

2 Enhanced Forest Management Pilot Projects

Figures may not add due to rounding.

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## PROGRESS ON MEETING CORPORATE STRATEGIC OBJECTIVES AND TARGETS

Forest Renewal BC focuses its investments to achieve six corporate strategic objectives. A seventh strategic objective guides the corporation's internal operations.

Under the *Strategic Plan 1999 – 2003*, the Forest Renewal BC board of directors established five-year targets for each strategic objective. Progress to date on meeting these targets, through key investments, is reported in this section.

### Strategic Objective 1
Sustainable harvest

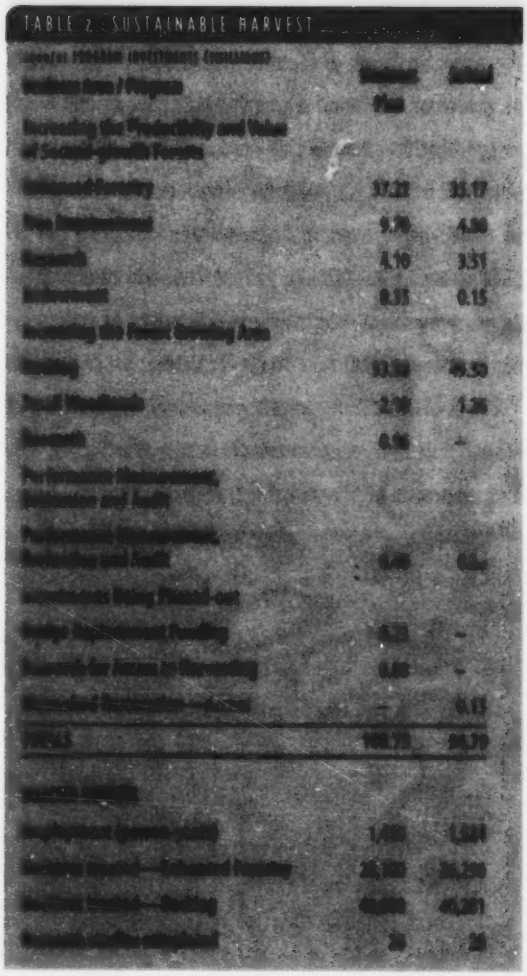
*Forest Renewal BC will invest in the production of faster-growing, higher-quality stands of second-growth timber.*

***Key Five-Year Target:*** Forest Renewal BC's investments to improve timber volume will increase the timber available for potential harvest by 25 million cubic metres ($m^3$).

***2000/01 Progress:*** During the first two years of the *Strategic Plan 1999 – 2003*, the corporation's investments in backlog and enhanced forestry activities are projected to lead to a future increase in timber volume in excess of 10 million $m^3$. Forest Renewal BC met its 2000/01 target of adding 5 million $m^3$ of timber volume to long-term harvest, investing $94.8 million. This puts the corporation in a good position to meet or exceed its five-year target.

Forest Renewal BC continues its investments to increase the productive growing area of B.C.'s public forests and increase the productivity of existing areas. As the B.C. forest sector shifts its harvesting to younger, second-growth forests, those increases in productive area and productivity will be essential for the viability of the industry.

TABLE 2 – SUSTAINABLE HARVEST



### INCREASING THE PRODUCTIVITY AND VALUE OF SECOND-GROWTH FORESTS

The target for Forest Renewal BC's 2000/01 investments under this strategic objective was to increase estimated future timber supply by 5 million $m^3$. The corporation uses a model to estimate its contribution to future timber supply. During 2000/01, Forest Renewal BC investments generated an increase of 5 million $m^3$, as calculated under the model. This result puts the corporation on track to meet its five-year target.

## PROGRESS ON MEETING CORPORATE STRATEGIC OBJECTIVES AND TARGETS

Forest Renewal BC focuses its investments to achieve six corporate strategic objectives. A seventh strategic objective guides the corporation's internal operations.

Under the *Strategic Plan 1999 - 2003*, the Forest Renewal BC board of directors established five-year targets for each strategic objective. Progress to date on meeting these targets, through key investments, is reported in this section.

### Strategic Objective 1
Sustainable harvest

*Forest Renewal BC will invest in the production of faster-growing, higher-quality stands of second-growth timber.*

***Key Five-Year Target:*** Forest Renewal BC's investments to improve timber volume will increase the timber available for potential harvest by 25 million cubic metres (m ).

***2000/01 Progress:*** During the first two years of the *Strategic Plan 1999 - 2003*, the corporation's investments in backlog and enhanced forestry activities are projected to lead to a future increase in timber volume in excess of 10 million m . Forest Renewal BC met its 2000/01 target of adding 5 million m of timber volume to long-term harvest, investing $94.8 million. This puts the corporation in a good position to meet or exceed its five-year target.

Forest Renewal BC continues its investments to increase the productive growing area of B.C.'s public forests and increase the productivity of existing areas. As the B.C. forest sector shifts its harvesting to younger, second-growth forests, those increases in productive area and productivity will be essential for the viability of the industry.

**TABLE 2 SUSTAINABLE HARVEST**

| 2000/01 PROGRAM INVESTMENTS ($MILLIONS) Business Area / Program | Business Plan | Actual |
|---|---|---|
| **Increasing the Productivity and Value of Second-growth Forests** | | |
| Enhanced Forestry | 37.22 | 35.17 |
| Tree Improvement | 9.70 | 4.80 |
| Research | 4.10 | 3.51 |
| Endowment | 0.35 | 0.15 |
| **Increasing the Forest Growing Area** | | |
| Backlog | 53.58 | 49.50 |
| Small Woodlands | 2.10 | 1.26 |
| Research | 0.96 | – |
| **Performance Measurement, Evaluation and Audit** | | |
| Performance Measurement, Evaluation and Audit | 0.40 | 0.26 |
| **Investments Being Phased-out** | | |
| Bridge Replacement Funding | 0.22 | – |
| Research for Access to Harvesting | 0.08 | – |
| Watershed Restoration—Access | – | 0.15 |
| TOTALS | 108.73 | 94.79 |
| **SELECTED OUTPUTS** | | |
| Employment (person-years) | 1,410 | 1,524 |
| Hectares treated—Enhanced Forestry | 28,100 | 26,290 |
| Hectares treated—Backlog | 48,800 | 40,201 |
| Research studies completed | 26 | 28 |

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Under the Enhanced Forestry Program, investments to increase the value of future timber included funding for pruning, spacing and fertilizing on 26,290 hectares. These treatments are expected to increase the economic value of the timber by between 5 per cent and 30 per cent.

Large portions of north-central B.C. are experiencing the worst outbreak of mountain pine beetle in decades. As owner of the forest lands, the B.C. government is responsible for treating this epidemic. To help the government fund its obligations, a decision was made by the Forest Renewal BC board—subsequent to the publication of the *Business Plan 2000/01*—to re-allocate as much as $6 million over a two-year period from the corporation's Enhanced Forestry budget.

These investments are being made specifically to identify infested areas and support selective cutting and treatment of infected trees, to stop the spread of the infestation.

Forest Renewal BC's *Business Plan 2000/01* called for $9.7 million in investments to support activities under the Tree Improvement Program. Of those funds, $4.8 million was used to support activities related to gene conservation, tree breeding, and research on the production, use and geographic movement of seed, undertaken through Forest Renewal BC's partnership with the British Columbia Forest Genetics Council.

The balance of Tree Improvement funds for 2000/01 were set aside in a reserve to support a new seed production initiative, called the Select Seed Program. This program, which will be launched in 2001, is part of a Multi-Year Agreement between Forest Renewal BC and the Select Seed Company Ltd. The goal of the agreement is to increase the use of enhanced (i.e., more drought-, disease- and insect-resistant) seed for reforestation in B.C. As owner of the public lands in the province, the responsibility for seed and tree seedling improvements rests with the government. Through this program, it will expand existing seed orchards and create new ones. Under the Multi-Year Agreement, Forest Renewal BC has committed $17.2 million towards the program and has set aside this amount as a reserve. The Select Seed Company will draw from this reserve over 12 years, as outlined in the program's plan, which will be updated and approved annually by Forest Renewal BC and Select Seed.

Forest-level silviculture plans have been completed for 58 of the 71 forest management units in the province, and work is underway on the remainder. These results are just slightly behind Forest Renewal BC's target of having forest-level silviculture plans completed for all 71 forest management units by March 31, 2001. The information established in these plans is already guiding silviculture investment decisions for management units, and it will help maximize the effectiveness of Forest Renewal BC's investments to increase the value and productivity of second-growth stands. When these plans are completed—estimated for the summer of 2001—Forest Renewal BC, the Ministry of Forests, and sector partners will have established B.C.'s first Provincial Silviculture Strategy. This strategy will put the province at the forefront of strategic silviculture investment in North America.

## INCREASING THE FOREST GROWING AREA

Forest Renewal BC is helping the provincial government reforest 250,000 hectares of Crown forest lands that were harvested prior to October 1, 1987 and have not been satisfactorily restocked. Because this land does not currently support commercial timber crops, it does not contribute to future volumes available for harvest. With proper reforestation of this backlog area, funded by Forest Renewal BC, these additional areas will provide future harvest opportunities that will allow the province to reach a higher sustainable level of harvest.

During 2000/01, however, the partners invested $4 million less and treated 8,599 fewer hectares of backlog than planned, because of difficulty in finding

adequate sites. As a result, and with the approval of Forest Renewal BC management, some of those investments were allocated to other strategic objectives.

In 2000/01, 17,549 hectares were added back to the commercial land base through surveys and planting. The key five-year target for this measure is 25,000 hectares, so Forest Renewal BC is in a position to significantly exceed the intended target, or to redirect investments by the third year of the *Strategic Plan 1999 – 2003*.

In addition to backlog work, the Small Woodlands Program invests in activities to bring small-scale forestry lands into commercial operation. Forest Renewal BC's investments in this area in 2000/01 supported the development of two regional delivery models.

### Strategic Objective 2
### Enhance environmental values

*Forest Renewal BC will invest in restoring forest watersheds and in promoting environmental stewardship and strong environmental values in B.C.'s forests.*

***Key Five-Year Target:*** Forest Renewal BC will work with its partners to complete restoration of 20 per cent of the highest-priority watersheds that have been damaged or seriously threatened by past forest development activities. This target shifts corporate attention to the most critical watersheds to help improve water quality and fish habitat. Work that has already been started on lower-priority areas will be gradually phased-out, as those areas are brought to a stable condition.

***2000/01 Progress:*** During this fiscal year, Forest Renewal BC continued to focus on the highest-priority watersheds for fish habitat and domestic water supply. Working with its partners, Forest Renewal BC has identified the 20 per cent (or 157) of the highest-priority watersheds in the province. By March 31, 2001, partners had completed restoration plans on 25 of the highest-priority watersheds and finished the rehabilitation of eight. By October 1, 2001, plans will be completed for 175 watersheds (extra restoration plans are being prepared because some regions will be working in more high-priority watersheds than targeted). Forest Renewal BC will be able to tightly focus—and thereby maximize—its watershed restoration investments.

As shown in Table 3, Forest Renewal BC's *Business Plan 2000/01* projected $58.8 million in investment expenditures under this strategic objective. Actual investments were $62.9 million. Subsequent to the publication of the *Business Plan 2000/01*, Forest Renewal BC approved to a maximum of $5.5 million in block funding for Fisheries Renewal BC. Fisheries Renewal BC expenditures and outputs are reported under the Watershed Restoration Program and the Fisheries Renewal BC Program (under Strategic Objective 2), as well as under the Resource Inventory—Field Program

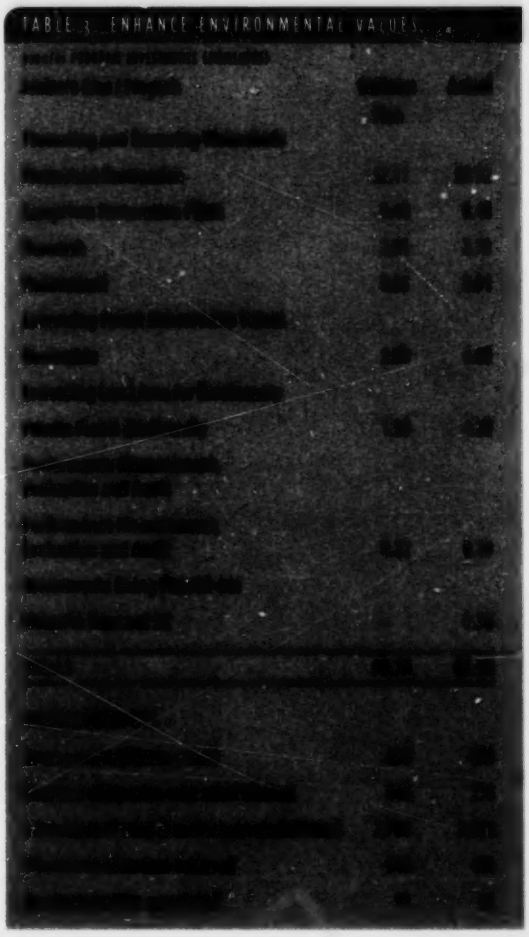
TABLE 3 ENHANCE ENVIRONMENTAL VALUES

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**TABLE 3: ENHANCE ENVIRONMENTAL VALUES**

2000/01 PROGRAM INVESTMENTS ($MILLIONS)

| Business Area / Program | Business Plan | Actual |
|---|---|---|
| **Protecting and Restoring Watersheds** | | |
| Watershed Restoration | 52.11 | 53.32 |
| Ecosystem Restoration Pilots | 0.40 | 0.48 |
| Research | 2.01 | 2.73 |
| Endowment | 0.55 | 0.31 |
| **Enhancing Forest Stewardship Values** | | |
| Recreation | 2.00 | 0.89 |
| **Increasing Land Area for Biodiversity** | | |
| Private Forest Biodiversity | 1.50 | 4.22 |
| **Performance Measurement, Evaluation and Audit** | | |
| Performance Measurement, Evaluation and Audit | 0.22 | 0.19 |
| **Investments Being Phased-out** | | |
| Fisheries Renewal BC | – | 0.76 |
| **TOTALS** | **58.78** | **62.90** |
| **SELECTED OUTPUTS** | | |
| Employment (person-years) | 450 | 693 |
| Hectares of riparian area rehabilitated | 440 | 276 |
| Kilometres of road deactivated/rehabilitated | 2,780 | 3,802 |
| Kilometres of stream restored | 540 | 481 |
| Research studies completed | 11 | 61 |

(under Strategic Objective 3), according to the type of activities supported[1]. Higher-than-expected investments under this objective are the result of the addition of these Fisheries Renewal BC investments, and higher expenditures under the Private Forest Biodiversity Program.

### PROTECTING AND RESTORING WATERSHEDS

One of Forest Renewal BC's cornerstone investments is in the restoration of watersheds damaged by past logging practices. As explained above, the corporation supported the development of resource management plans to identify the watersheds in each forest region which are considered the highest priority for its investments. As well, Forest Renewal BC is supporting development of restoration plans that will help guide investments and track performance in those watersheds.

Partners invested $1.2 million more than anticipated in the Watershed Restoration Program and exceeded targets for road deactivation/rehabilitation by 1,022 kilometres.

These results reflect the investment in Fisheries Renewal BC and in other opportunities for watershed work that were identified after publication of the *Business Plan 2000/01*. When those opportunities arose, a number of partners obtained approval from Forest Renewal BC to shift funding from silviculture treatments to watershed restoration work.

### ENHANCING FOREST STEWARDSHIP VALUES

British Columbia's recreational resources are nationally and internationally significant. Since 1996, Forest Renewal BC has invested more than $76 million to improve and develop those resources. At the same time, some of those investments have offered the corporation a way to meet its commitment to help displaced forest workers and their communities.

Forest Renewal BC's *Business Plan 2000/01* called for approximately $2 million in investments throughout the province to complete recreation work initiated under the Environment business envelope in past years. Only $0.9 million was ultimately accessed, and all but one of the recreation projects have now been completed. Work on the last, a forest interpretation infrastructure project in Cariboo-Chilcotin Region, will carry through into 2001/02.

### INCREASING LAND AREA FOR BIODIVERSITY

This program, which is a partnership with the Nature Trust of B.C., supports the acquisition of private lands that are considered essential to conserve natural biodiversity. The *Business Plan 2000/01* projected investments in the Private Forest Biodiversity Program at $1.5 million, but actual expenditures for the year were $4.2 million. This higher-than-expected investment falls within the funding limits established for the first five years of the program, and the Forest Renewal BC board approved each purchase.

With this additional investment, the corporation and its partner, the Nature Trust of B.C., purchased a number of high-priority parcels of private forest land:

- private land within Okanagan Mountain Provincial Park,
- property adjacent to Mount Maxwell on Salt Spring Island, and
- Francis Point on the Sunshine Coast.

### Strategic Objective 3:
### Strengthen sustainable forest management

*Forest Renewal BC will invest in the development of relevant, useable, timely information and tools that are keyed to achieving sustainable forest management.*

***Key Five-Year Target:*** Forest Renewal BC will work with its partners to identify key gaps in knowledge for sustainable forest management. By April 1, 2004,

1 The breakdown of Fisheries Renewal BC investments across these three programs is: Watershed Restoration Program ($3.7 million), Fisheries Renewal BC Program ($0.76 million), and Resource Inventory – Field Program ($1.1 million).

these key knowledge gaps will be addressed to help improve future Timber Supply Reviews and strategic land-use plans.

***2000/01 Progress:*** Building knowledge is essential for improving the decisions and informing the actions that will position British Columbia to fully achieve sustainable forest management. Better strategic plans and more-informed decision-making are important ingredients in a sustainable management regime. Both depend on credible and reliable information.

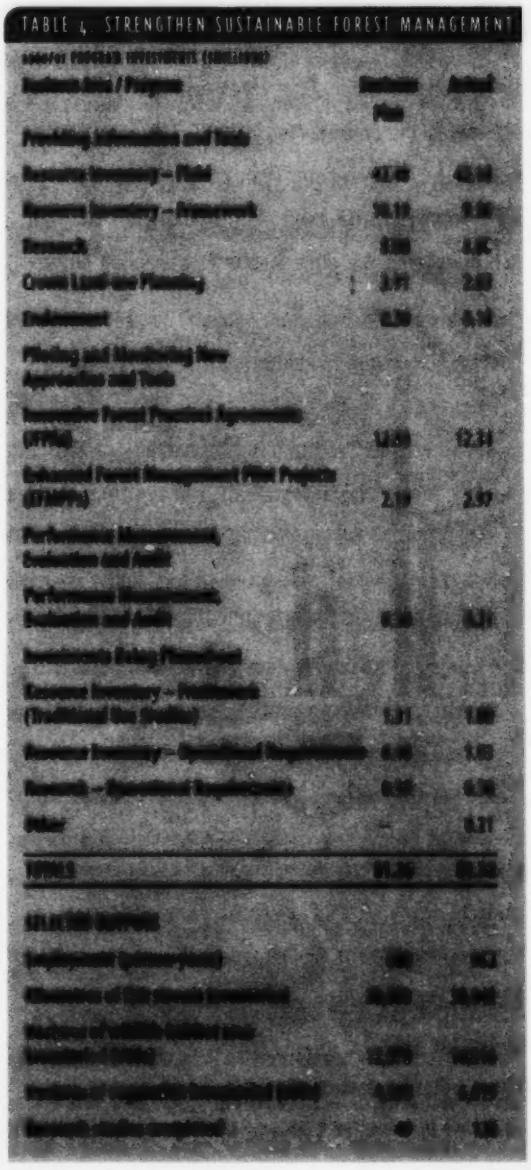
Forest management in B.C. has undergone tremendous change over the past decade. It now involves many more stakeholders with often conflicting interests, creating complex issues in forest management decision-making and operations. The forest industry must deal with the challenges of competition and trade regulations nationally and internationally, and with the tough standards of the Forest Practices Code in B.C. On the other hand, forest-product customers and the public demand that forest management operations consider and respect a broader range of forest values and reflect sustainable management practices. To support sustainable forest management that is commercially viable, better knowledge and new management tools and techniques are needed.

In 2000/01, Forest Renewal BC refined its approach to meeting this strategic objective. It continued to phase-out investments at the resource-development level, as per the *Strategic Plan 1999 – 2003,* shifting to the broader range of activities that are necessary for creating knowledge in support of higher-level strategic decisions and planning processes. As a result of this work, the following activity categories have been defined for funding:

- *Existing information:* Activities that involve the organization, synthesis or analysis of existing information (e.g., a "state of knowledge" expert workshop, or an inventory-of-inventories project).
- *Tools, applications and extension:* Activities that enhance existing tools/applications or involve extension efforts (e.g., enhancement of a Timber Supply Review or a growth and yield model).
- *New information:* Activities that generate new information, including field inventories and research, and investment effectiveness monitoring (e.g., identified wildlife habitat inventories) of progress toward sustainable forest management.

Investments under these categories will strengthen the existing strategic-level decisions and plans to support sustainable forest management.

TABLE 4 STRENGTHEN SUSTAINABLE FOREST MANAGEMENT



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Investments under these categories will strengthen the existing strategic-level decisions and plans to support sustainable forest management.

**TABLE 4: STRENGTHEN SUSTAINABLE FOREST MANAGEMENT**

2000/01 PROGRAM INVESTMENTS ($MILLIONS)

| Business Area / Program | Business Plan | Actual |
|---|---|---|
| **Providing Information and Tools** | | |
| Resource Inventory – Field | 42.48 | 42.10 |
| Resource Inventory – Framework | 10.19 | 9.26 |
| Research | 8.08 | 8.00 |
| Crown Land-use Planning | 2.91 | 2.83 |
| Endowment | 0.20 | 0.13 |
| **Piloting and Monitoring New Approaches and Tools** | | |
| Innovative Forest Practices Agreements (IFPAs) | 12.84 | 12.34 |
| Enhanced Forest Management Pilot Projects (EFMPPs) | 2.19 | 2.97 |
| **Performance Measurement, Evaluation and Audit** | | |
| Performance Measurement, Evaluation and Audit | 0.30 | 0.21 |
| **Investments Being Phased-out** | | |
| Resource Inventory – Framework (Traditional Use Studies) | 1.31 | 1.88 |
| Resource Inventory – Operational Requirements | 0.40 | 1.03 |
| Research – Operational Requirements | 0.39 | 0.30 |
| Other | – | 0.21 |
| **TOTALS** | **81.30** | **81.32** |
| **SELECTED OUTPUTS** | | |
| Employment (person-years) | 880 | 968 |
| Kilometres of fish stream inventoried | 20,500 | 38,842 |
| Hectares of wildlife habitat area inventoried (000s) | 12,070 | 16,516 |
| Hectares of vegetation inventoried (000s) | 4,550 | 6,619 |
| Research studies completed | 49 | 128 |

As projected in Forest Renewal BC's *Business Plan 2000/01,* investment expenditures under this strategic objective were $81.3 million. Forest Renewal BC and its partners identified more than 100 key information gaps and developed a strategy and plan for addressing them, and partners have begun work on filling those gaps.

### PROVIDING INFORMATION AND TOOLS TO IMPROVE EXISTING STRATEGIC-LEVEL DECISION-MAKING PROCESSES

One of the most important deliverables under this strategic objective is information to fill gaps in knowledge, so Forest Renewal BC focused its 2000/01 investments to address gaps in inventory information. Figure 2 illustrates that actual outputs, particularly under fish and fish habitat inventories, exceeded those forecast in the *Business Plan 2000/01.* There are two reasons for this variance. First, additional projects were approved after publication of that plan. Second, fish inventories are done in phases that often cover several years. Actual outputs relate to fully completed projects, many of which commenced in prior years. *Business Plan 2000/01* figures reflect the total outputs for projects that the corporation expects to start during the year.

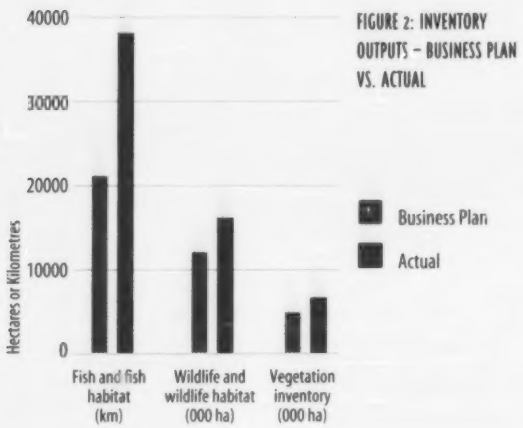


FIGURE 2: INVENTORY OUTPUTS – BUSINESS PLAN VS. ACTUAL

These output measures illustrate the enormous range of Forest Renewal BC's inventory investments and the magnitude of gains in information over the fiscal year. This information moved Forest Renewal BC toward its goal under this strategic objective of filling critical resource information gaps, but more representative measures were needed to more accurately reflect the productivity of Forest Renewal BC's inventory investments. Revised measures were developed during 2000/01, and the changes are incorporated in the output measures for the *Business Plan 2001/02.*

### PILOTING AND MONITORING NEW APPROACHES AND TOOLS FOR STRATEGIC PLANNING AND DECISION-MAKING

An important element of this strategic objective is the development of new tools and approaches in experimental management pilots, and their consideration in strategic processes. Innovative Forest Practices Agreements and Enhanced Forest Management Pilot Projects are the vehicles for testing such new approaches.

### INNOVATIVE FOREST PRACTICES AGREEMENTS (IFPAs)

Forest Renewal BC has invested more than $31 million in IFPAs since 1997. With those investments, groups and communities in B.C. have been able to make significant advancements in testing alternative approaches to community involvement in forest management, and in pursuing ecosystem-based sustainable forest management. IFPAs have become an important link between research and fully integrated operational treatments and approaches in a forest-estate setting.

The six IFPAs are: Lignum Ltd. (Williams Lake and 100 Mile House timber supply areas); International Forest Products Ltd. (portions of Fraser and Kamloops timber supply areas); Merritt IFPA (Merritt timber supply area); Arrow IFPA (Arrow timber supply area); Lakes and Morice IFPA (covers both timber supply areas); and Vanderhoof IFPA (Vanderhoof timber supply area).

These Forest Renewal BC-supported IFPAs involve more than 20 licensees, along with the Ministry of Forests, the Ministry of Water, Land and Air Protection and Ministry of Sustainable Resource Management (formerly Environment, Lands and Parks), and a wide range of community, First Nations and stakeholder groups. Together, these groups work to plan pilot initiatives in each region of the province. IFPAs are resulting in:

- the integration of local community interests into the planning and management of forests,
- the support of a more integrated approach to sustainable forest management, ensuring that all forest values are managed sustainably,
- the transfer of new knowledge about sustainable forest management to the B.C. forest industry through communication and extension efforts,
- additions to the science on which sustainable annual harvest levels are based, and
- an ability to critically evaluate and provide alternatives to major policy initiatives affecting the forest industry.

Each IFPA focuses on a different aspect of forest management, which allows testing of new approaches to sustainable forest management from a wide variety of perspectives.

## ENHANCED FOREST MANAGEMENT PILOT PROJECTS (EFMPPs)

Forest management in B.C. requires a balance of planning and practices to ensure optimal environmental protection, resource extraction, and community economic and social stability. Forest Renewal BC has provided funding for EFMPPs since 1995, based on recommendations from a multi-sector task force established by the Forest Sector Strategy Committee.

A provincial steering committee leads and monitors the program. Local working groups are directing the four EFMPP pilots—in the Campbell River, Lakes, Robson Valley and Invermere forest districts—to test the potential of enhanced forest management strategies and activities for broader operational applications.

### Strategic Objective 4

### Strengthen and expand the value-added sector

*Forest Renewal BC will strengthen and expand B.C.'s value-added sector through strategic investments with leading industry partners.*

***Key Five-Year Target:*** Over five years, the growth in sales for B.C. firms benefiting from Forest Renewal BC investments will be increased by an additional 10 percentage points over the expected industry growth rate of 20 per cent.

***2000/01 Progress:*** Value-added initiatives have tremendous potential for strengthening and diversifying B.C.'s forest-sector economy and the economies of forest-dependent communities. Supporting the expansion of the value-added wood products manufacturing sector is a key element of Forest Renewal BC's vision for a modern forest-sector economy.

The objective of Forest Renewal BC's Value-added Strategy is to help the sector make itself more globally competitive by investing in activities that increase industry sales and improve operating efficiencies.

Forest Renewal BC investments in 2000/01 increased secondary industry sales by $47 million. This is more than the $39 million achieved in the first year of the strategy, but less than the target of $50 million. Forest Renewal BC appears to be well on-track to meet the five-year target, but there may be fluctuations in annual sales increments caused by factors outside the control of the corporation. (Value-added partners recognize that in economic downturns, a steady growth rate is not likely to occur each year on an industry-wide basis. Forest Renewal BC's target, on a year-by-year basis, is to increase sales for participating companies by two percentage points over expected industry sales level for the year—which the corporation has achieved during the first two years of the *Strategic Plan 1999 – 2003.*)

As shown in Table 5, the Forest Renewal BC *Business Plan 2000/01* projected an investment of $20.2 million under this strategic objective. Actual expenditures were $21.2 million, an increase over the previous year's

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**TABLE 5: STRENGTHEN AND EXPAND THE VALUE-ADDED SECTOR**

2000/01 PROGRAM INVESTMENTS ($MILLIONS)

| Business Area / Program | Business Plan | Actual |
|---|---|---|
| **Improving Sector Organization** | | |
| Industry Infrastructure | 1.75 | 2.04 |
| **Increasing Knowledge** | | |
| Market Development | 7.90 | 9.71 |
| **Increasing the Application of New and Existing Technologies** | | |
| Technology Transfer | 1.40 | 2.51 |
| Innovation Development | 1.00 | 1.15 |
| Research | 0.75 | 0.56 |
| Endowment | 0.23 | 0.23 |
| **Increasing Access to Financing** | | |
| Value-added Business Development | 2.10 | 0.85 |
| **Meeting Strategic Skills Gaps of Existing Value-added Workers** | | |
| Value-added Training | 5.00 | 4.12 |
| **Performance Measurement, Evaluation and Audit** | | |
| Performance Measurement, Evaluation and Audit | 0.07 | 0.07 |
| **TOTALS** | **20.20** | **21.23** |
| **SELECTED OUTPUTS** | | |
| Training provided (person-days) | 8,000 | 15,392 |
| Incremental sales – to primary industry ($Millions) | 88 | 81 |
| Incremental sales – to secondary industry ($Millions) | 50 | 47 |
| Number of market leads generated | 1,500 | 4,787 |
| Improved operating efficiencies ($millions) | 10 | 16 |
| Investment leveraged ($millions) | 5 | 11 |

expenditure of $17.3 million. Factors contributing to this increase include several new initiatives, such as the Canadian Marketing Coalition and the Fibre Purchase Program, and increased industry participation in value-added initiatives.

Subsequent to the publication of the *Business Plan 2000/01*, the Forest Renewal BC board allocated $2 million from the Reserve for Program Continuity to the Reserve for Finance Purposes[2]. Forest Renewal BC will draw on those funds as part of the $15 million B.C. Wood Specialities Group legacy or "evergreen" agreement. The purpose of the agreement is to provide a long-term, stable platform for the value-added sector once the corporation's current investment in B.C. Wood Specialties Group's marketing and training initiatives wind-down in March 2004.

Ongoing consultations and annual business planning with the value-added industry continue to guide Forest Renewal BC's five-year Value-added Strategy, and the corporation continues to expand its performance management framework for investments to ensure that project objectives are clearly linked to measurable sales increases or improved operating efficiencies.

## IMPROVING SECTOR ORGANIZATION

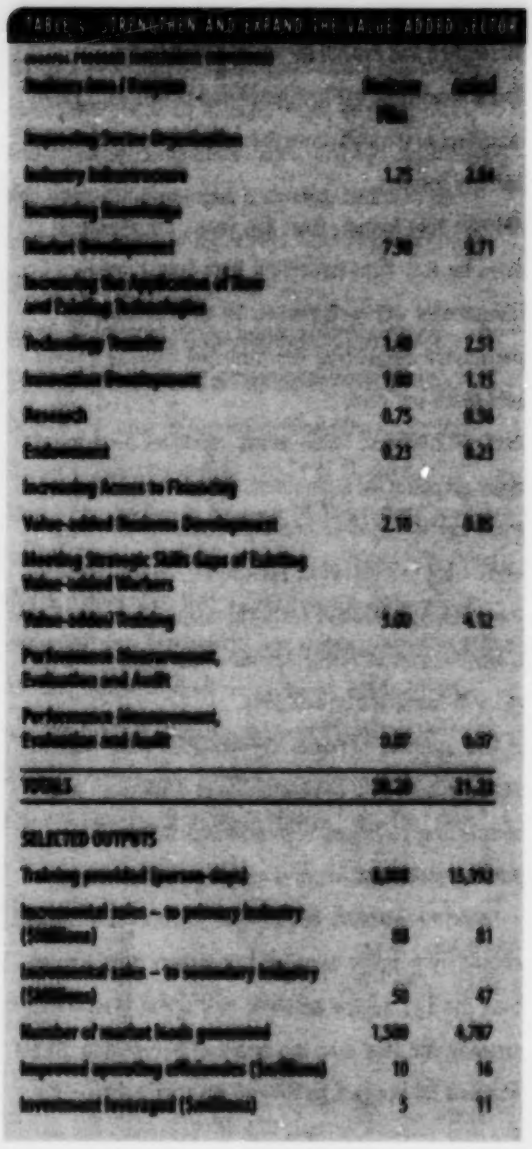
In 2000/01, Forest Renewal BC invested $2 million to improve the coordination and communication among primary and secondary operations, strengthen industry associations, and increase public awareness of the value-added industry and its impact on the provincial economy.

## INCREASING KNOWLEDGE

Forest Renewal BC invested $9.7 million in marketing investments to raise awareness about B.C.'s value-added industry, create more demand for its wood products, and improve market access and product opportunities. The corporation invested in a number of additional marketing initiatives as new opportunities arose during the year, after publication of the *Business Plan 2000/01*. Actual investments are therefore higher than forecast.

The secondary wood manufacturing industry reported that Forest Renewal BC marketing investments increased domestic and export sales by $47 million, and the primary industry reported that marketing investments increased sales by $81 million. Forest

2 Forest Renewal BC reports this allocation here as an investment under Strategic Objective 4. In the financial statements, however, it is reported as a transfer from the Reserve for Program Continuity to the Reserve for Finance Purposes.



| | | |
|---|---|---|
| | | |
| | | |
| | 1.75 | 2.84 |
| | | |
| | 7.30 | 9.71 |
| | | |
| | 1.40 | 2.51 |
| | 1.00 | 1.15 |
| | 0.75 | 0.56 |
| | 0.23 | 0.23 |
| | | |
| | 2.10 | 0.85 |
| | | |
| | 5.00 | 4.12 |
| | | |
| | | |
| | 0.07 | 0.07 |
| | | |
| SELECTED OUTPUTS | | |
| | 8,000 | 15,393 |
| | 88 | 81 |
| | 50 | 47 |
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Renewal BC anticipates that the investment in the additional initiatives will begin to generate extra sales growth in two to three years.

### INCREASING THE APPLICATION OF NEW AND EXISTING TECHNOLOGIES

In 2000/01, Forest Renewal BC invested $4.5 million to help more secondary manufacturers access and use new technologies. This will improve operating efficiencies by helping manufacturers improve product quality, improve productivity or fibre recovery, develop new manufacturing processes and diversify product lines.

The secondary wood manufacturing industry reported that Forest Renewal BC technology investments, along with its training and research investments, resulted in improved industry operating efficiencies worth approximately $16 million. (These investments reportedly also contributed to the increase in sales reported under the "Increasing knowledge" area, above.)

### INCREASING ACCESS TO FINANCING

Through its $0.9 million investment in business development initiatives during 2000/01, Forest Renewal BC funded business planning and mentoring services for more than 150 value-added firms, to improve their viability and competitiveness. These investments resulted in more than $1.8 million in new financing—plus increased sales and improved operating efficiencies captured in other business areas.

Expenditures were lower than expected in this business area in 2000/01, and additional effort is required. The corporation has announced, with Community Futures Development Corporations, a new lending program designed specifically to help value-added firms purchase fibre. This initiative—along with others, such as shared-use facilities or cluster manufacturing—are opportunities for value-added companies to leverage resources and increase their sales.

### MEETING STRATEGIC SKILLS GAPS OF EXISTING VALUE-ADDED WORKERS

In 2000/01, Forest Renewal BC invested $4.12 million to address strategic skills gaps identified by industry as impediments to growth. Third-party, case-study analyses of companies that participated in value-added training indicates that one week of production training results in improved operating efficiencies of at least $6,000.

More than 15,300 person-days of training was provided to value-added workers and managers across the province during 2000/01.

## Strategic Objective 5
### Support forest workers through transition

*Forest Renewal BC will provide re-employment services to long-term forest-sector workers who are facing permanent displacement.*

***Key Target:*** Forest Renewal BC's target is to have all clients who receive re-employment services assess those services as making a positive contribution to their re-employment.

***2000/01 Progress:*** In July 1999, Forest Renewal BC created the Forest Worker Re-employment Services Program to provide additional incremental assistance to displaced forest workers in their re-employment efforts. The goal of this program is to help permanently displaced forest workers return to work, either within or outside of the forest industry, as quickly as possible, by connecting them with existing resources and providing direct funding to clients where gaps in existing services occur. Assistance may include short-term personal or financial counselling, career counselling, relocation assistance, on-the-job training resources to help a worker secure a new job, self-employment assistance, help with an effective job search, and/or vocational training.

Just 600 displaced workers accessed the program during 2000/01, which is a reflection of some recovery in the forest industry. Forest Renewal BC invested $1.4 million to provide services and direct support to

those workers who were permanently displaced from their forest-industry jobs due to closures and shift reductions.

Forest Renewal BC retained an independent survey firm to assess worker satisfaction with the corporation's re-employment services. For those clients accessing the newer Forest Worker Re-Employment Services Program, approximately 71 per cent of respondents indicated that they were satisfied with the program overall. Approximately 84 per cent found the program helped them meet their employment goals.

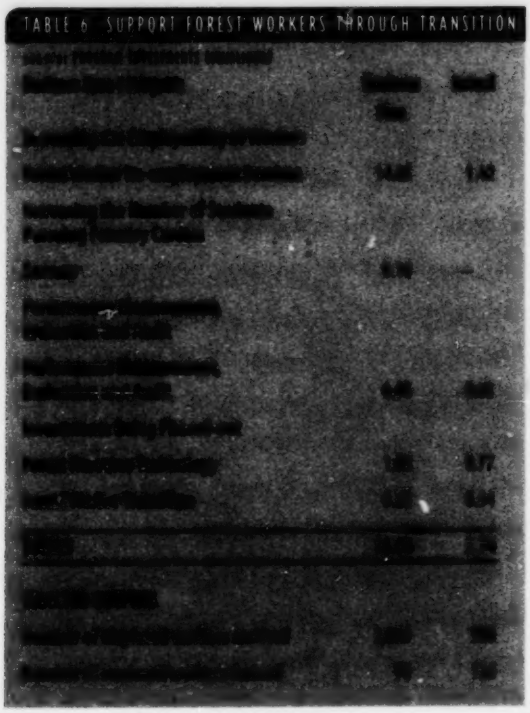
### INVESTMENTS IN TRAINING (INCLUDED IN "INVESTMENTS BEING PHASED-OUT")

Forest Renewal BC continued during 2000/01 to fund additional seats in post-secondary Forest and Resource Technician diploma programs to ensure that existing students, many of whom had been displaced workers, could continue working for their diplomas. The demand for trained technicians and technologists remains high, and many new entrants and displaced workers see this as their way of entering or re-entering the forest industry. Forest Renewal funded 126 training positions during 2000/01.

This year's investments complete Forest Renewal BC's existing obligations to support students enrolled in three post-secondary Forest and Resource Technician diploma programs. Over the life of the program, the corporation funded more than 350 additional positions in those educational institutions.

As shown in Table 6, Forest Renewal BC's *Business Plan 2000/01* projected $16.1 million in investment expenditures under this strategic objective. Actual expenditures were $2.7 million.

TABLE 6 SUPPORT FOREST WORKERS THROUGH TRANSITION



### New direction for Workforce Program investments

In 2000/01, Forest Renewal BC consulted with forest-sector stakeholders about the corporation's future role in the Workforce area. Partners pointed to the need for a more coordinated approach to the labour force, and saw Forest Renewal BC as a key facilitator in the development of a forest-sector labour force development strategy. The board modified this strategic objective, for 2001/02 onward, to reflect the new direction. It will now be stated as:

### Strategic Objective 5 (Revised)

**Stimulate workforce development to strengthen the forest sector**

*Forest Renewal BC will work with partners to identify key gaps in knowledge for labour market development, and to plan and implement appropriate actions to address emerging issues in the forest-sector workforce.*

***Key Five-Year Target (Revised):*** Forest Renewal BC will work with its partners to identify and fill key gaps in knowledge about labour market development in the forest sector. During 2001/02, Forest Renewal BC will also work with stakeholders and employers to develop a strategic framework that describes the sector's labour market, workforce and skills-development needs, and identifies the nature and scale of change that is needed to increase the sector's competitiveness.

Starting in 2002/03, the corporation will begin to take appropriate actions, with its partners, to address emerging workforce development needs.

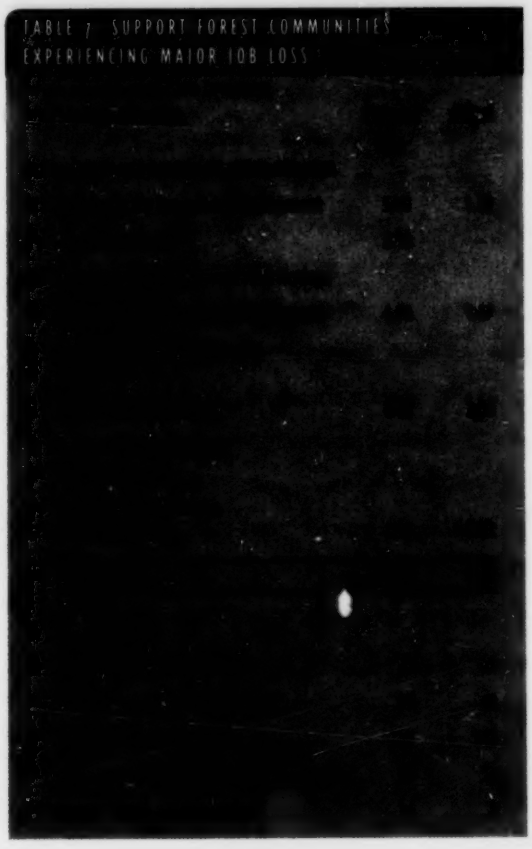
### Strategic Objective 6

### Support forest communities experiencing major job loss

*Forest Renewal BC will provide support to forest-dependent communities that are experiencing significant forest-sector job loss, to help them stabilize and diversify their forest economies, and to increase First Nations participation in the forest sector.*

***Key Five-Year Target:*** Forest Renewal BC investments will increase forest economic diversification and forest-sector employment in more than 30 forest-dependent communities that are experiencing major job loss.

***2000/01 Progress:*** The corporation has provided support in approximately 35 forest communities facing major economic disruption or loss. Through this support, Forest Renewal BC has helped more than 630 small business ventures in these communities and financed the establishment of more than 90 joint ventures.




In July 1999, the board agreed to extend the planned investments for this strategic objective over into the 2000/01 fiscal year. As a result, Forest Renewal BC focused its 2000/01 investments of $5.0 million in the following business areas:

- increasing forest community diversification by helping communities implement their economic development plans, and, where necessary, developing transition and mitigation response strategies,
- increasing the participation of First Nations in the forest economy by developing joint ventures, and
- increasing the financing capacity of communities by partnering with community-based lenders to increase the pools of business investment capital.

#### INCREASING FOREST COMMUNITY DIVERSIFICATION

Investments under this area support forest-dependent communities and First Nations throughout B.C. which have been organized into regional groups with a mandate to revitalize their local forest economies.

Since 1996, Forest Renewal BC has invested in more than 50 forest-sector strategic and action plans and mitigation strategies to help forest-dependent communities, regional economic groups, and First Nations explore and develop new business opportunities that will diversify their local forest economies. These plans and strategies are now being implemented, with Forest Renewal BC investments, and form the basis for leveraged funds from other sources.

This year, Forest Renewal BC directly funded 48 forest community groups. These investments benefited more than 20 forest-dependent communities and 28 First Nations communities province-wide. They also supported the implementation of 89 community economic development projects within the forest sector.

Investments under the Forest Community Economic Development Program in 2000/01 helped create, expand and maintain 130 small forest-sector businesses in forest-dependent and First Nations communities throughout B.C.

those workers who were permanently displaced from their forest-industry jobs due to closures and shift reductions.

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Forest Renewal BC continued during 2000/01 to fund additional seats in post-secondary Forest and Resource Technician diploma programs to ensure that existing students, many of whom had been displaced workers, could continue working for their diplomas. The demand for trained technicians and technologists remains high, and many new entrants and displaced workers see this as their way of entering or re-entering the forest industry. Forest Renewal funded 126 training positions during 2000/01.

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**TABLE 6: SUPPORT FOREST WORKERS THROUGH TRANSITION**

2000/01 PROGRAM INVESTMENTS ($MILLIONS)

| Business Area / Program | Business Plan | Actual |
|---|---|---|
| **Increasing the Employability of Workers** | | |
| Forest Worker Re-employment Services | 14.65 | 1.42 |
| **Increasing the Number of Students Pursuing Forestry Careers** | | |
| Bursary | 0.10 | – |
| **Performance Measurement, Evaluation and Audit** | | |
| Performance Measurement, Evaluation and Audit | 0.06 | 0.01 |
| **Investments Being Phased-out** | | |
| Forest Resource Technology | 1.00 | 0.77 |
| Forest Worker Transition | 0.25 | 0.54 |
| **TOTALS** | **16.06** | **2.74** |
| **SELECTED OUTPUTS** | | |
| Number of displaced workers assisted | 2,000 | 599 |
| Number of students/workers trained | 90 | 126 |

### New direction for Workforce Program investments

In 2000/01, Forest Renewal BC consulted with forest-sector stakeholders about the corporation's future role in the Workforce area. Partners pointed to the need for a more coordinated approach to the labour force, and saw Forest Renewal BC as a key facilitator in the development of a forest-sector labour force development strategy. The board modified this strategic objective, for 2001/02 onward, to reflect the new direction. It will now be stated as:

### Strategic Objective 5 (Revised)

Stimulate workforce development to strengthen the forest sector

*Forest Renewal BC will work with partners to identify key gaps in knowledge for labour market development, and to plan and implement appropriate actions to address emerging issues in the forest-sector workforce.*

***Key Five-Year Target (Revised):*** Forest Renewal BC will work with its partners to identify and fill key gaps in knowledge about labour market development in the forest sector. During 2001/02, Forest Renewal BC will also work with stakeholders and employers to develop a strategic framework that describes the sector's labour market, workforce and skills-development needs, and identifies the nature and scale of change that is needed to increase the sector's competitiveness.

Starting in 2002/03, the corporation will begin to take appropriate actions, with its partners, to address emerging workforce development needs.

### Strategic Objective 6
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***2000/01 Progress:*** The corporation has provided support in approximately 35 forest communities facing major economic disruption or loss. Through this support, Forest Renewal BC has helped more than 630 small business ventures in these communities and financed the establishment of more than 90 joint ventures.

**TABLE 7: SUPPORT FOREST COMMUNITIES EXPERIENCING MAJOR JOB LOSS**

2000/01 PROGRAM INVESTMENTS ($MILLIONS)

| Business Area / Program | Business Plan | Actual |
|---|---|---|
| **Increasing Forest Community Diversification** | | |
| Forest Community Economic Development | 5.00 | 1.21 |
| Municipal Bond Fund | 2.50 | – |
| **Increasing the Participation of First Nations** | | |
| Forest Community Economic Development | 4.50 | 1.67 |
| **Increasing the Financing Capacity of Communities** | | |
| Forest Community Business | 2.00 | 2.08 |
| **Performance Measurement, Evaluation and Audit** | | |
| Performance Measurement, Evaluation and Audit | 0.05 | 0.01 |
| **TOTALS** | **14.05** | **4.97** |
| **SELECTED OUTPUTS** | | |
| Number of projects completed | 79 | 89 |
| Number of communities assisted | 30 | 48 |
| Number of businesses assisted | 200 | 343 |
| Number of partnerships/joint ventures started | 25 | 56 |
| Additional dollars leveraged ($millions) | 14 | 8 |

In July 1999, the board agreed to extend the planned investments for this strategic objective over into the 2000/01 fiscal year. As a result, Forest Renewal BC focused its 2000/01 investments of $5.0 million in the following business areas:

- increasing forest community diversification by helping communities implement their economic development plans, and, where necessary, developing transition and mitigation response strategies,
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Investments under the Forest Community Economic Development Program in 2000/01 helped create, expand and maintain 130 small forest-sector businesses in forest-dependent and First Nations communities throughout B.C.

## INCREASING THE PARTICIPATION OF FIRST NATIONS

In addition to Forest Renewal BC programs that support the efforts of First Nations to increase their level of activity and participation in the forest economy, the corporation encourages the development of joint ventures and partnerships between First Nations and forest-sector businesses. These arrangements promote a collaborative approach to dealing with access-to-resource issues, bringing benefits to all parties.

These, in turn, create new employment and business opportunities in all communities in the province's forest sector, from primary and secondary processing and logging to road building, silviculture, and value-added manufacturing.

During this year, Forest Renewal BC invested in approximately 56 joint ventures, most with First Nations.

Forest Renewal BC's commitment to increasing the participation of First Nations in the forest sector has created some unique partnership arrangements. One collaboration, among industry, First Nations and other government agencies, supports training for First Nations students from across the province, in the First Nations Forest Technology Program at the Nicola Valley Institute of Technology in Merritt. This Forest Renewal BC-funded program helps First Nations students who are interested in a vocation in forestry and in earning their diploma as forest technicians. Many students will return home to work with their communities and with local forest-sector companies.

## INCREASING THE FINANCING CAPACITY OF COMMUNITIES

Loan programs are vital to the stability and diversification of communities, to help entrepreneurs start new businesses and create new forest-sector jobs. Forest Renewal BC funding provides increased access to financing for these small businesses, through the Forest Community Business Program.

Investments under this program support new and expanding forest-sector businesses in forest-dependent communities. The program complements Forest Renewal BC's multi-year commitment to strategic planning with forest-dependent communities and First Nations, by providing business loans for eligible forest-sector small business opportunities identified in the planning process.

Investments are limited to funding for small businesses that would otherwise lack the access to start-up capital and do not have significant assets, such as harvesting tenure or manufacturing facilities, that can be used as collateral to secure loans.

Forest Renewal BC has created partnerships with lending institutions around the province to provide better access for small business to loans at the community level, and to increase the amount of capital that is available in local revolving loan funds for these forest-sector business opportunities. Partners administer the loans. That includes determining which applicants receive loans, and setting their terms. Forest Renewal BC provides either funding to the lenders' loan programs, or guarantees to the lender.

Key partners in this program include community lending institutions, such as Community Futures Development Corporations, Aboriginal Capital Corporations, the Business Development Bank of Canada, and credit unions.

This year, Forest Renewal BC introduced a financial instrument for local government projects that are designed to diversify the forest economy by attracting new investment and infrastructure support in the forest sector. Structurally, a bond program presented difficulties for communities, since public consultations and approvals were required under the new provisions of the *Local Government Act* (previously the *Municipal Act*). The fund has therefore been restructured for 2001/02 as a loan fund, through the Municipal Finance Authority.

### New direction for Communities investments

This strategic objective was revised in September 2000 by the board of directors, to sharpen the focus on proactive involvement with forest-dependent

communities before their economies are negatively affected by changes in the forest-sector. It is now restated as:

**Strategic Objective 6 (Revised)**
Sustain and diversify forest communities economies

*Forest Renewal BC will provide support to forest-dependent communities and First Nations to help sustain and diversify their forest economies.*

**Strategic Objective 7**
Increase Forest Renewal BC's effectiveness and efficiency

*Forest Renewal BC will increase its effectiveness and efficiency to optimize the impact of its investments, while maintaining low administrative costs.*

***Key Five-Year Target:*** Annual core corporate administration costs will not exceed 5 per cent of total invested dollars.

***2000/01 Progress:*** The final strategic objective stated in the *Business Plan 2000/01* involves improving Forest Renewal BC's business practices to ensure that every dollar the corporation invests is strategically effective and efficient. During 2000/01, Forest Renewal BC continued to restructure, streamline processes, and focus staff on results.

The corporation continued to implement its performance-based management system. Training sessions were held with staff on performance-based management and business-area investment strategies. Performance measures were refined, and regular business reviews were initiated throughout the corporation to monitor operational performance. As well, contract performance audits and an internal audit program were undertaken to identify areas where funding-agreement management practices could be improved.

In each of the first two years of the *Strategic Plan 1999 – 2003,* core corporate administration costs have been kept below 5 per cent of the total investments made during those years (see Figure 3).

The corporation also surveys employees and partners to assess its performance. For the second year, Forest Renewal BC surveyed employees on the effectiveness and efficiency of internal communications, processes and systems. The board recognizes that this survey is a key indicator of performance, for three reasons:

- it provides the board and management with a critical self-assessment of strengths and areas in which the corporation needs to improve,
- the business community has found a close correlation between employee assessments of efficiency and customer perspectives, and
- the survey gives employees an opportunity to communicate their concerns and issues to management and the board, which encourages internal dialogue.

More than 94 per cent of employees responded in the 2000/01 survey, rating overall effectiveness and efficiency approximately 10 per cent higher than in the previous year. The management target was for improvement of 11 per cent to 12 per cent. Management will continue to foster communication and collaboration between business units.

TABLE 8 CORPORATE ADMINISTRATION SUMMARY

| (millions) | Business Plan | Actual |
|---|---|---|
| Executive Offices and Committees | 1.1 | 1.0 |
| Forest Resources and Environment | 3.2 | 3.0 |
| Communities and Workforce | 1.2 | 1.0 |
| Value-added | 0.8 | 0.8 |
| Administration | 0.4 | 0.3 |
| Corporate Planning and Evaluation | 0.9 | 0.6 |
| Communications | 1.6 | 1.2 |
| Finance | 1.5 | 1.4 |
| Corporate Services | 4.5 | 3.6 |
| TOTALS | 15.0 | 12.9 |
| STAFF | 93 | 90 |
| Restructuring costs | 0.9 | 0.6 |
| Subsidiaries administration | 1.2 | 0.8 |

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| Administration | 0.4 | 0.3 |
| Corporate Planning and Evaluation | 0.9 | 0.6 |
| Communications | 1.6 | 1.2 |
| Finance | 1.5 | 1.4 |
| Corporate Services | 4.5 | 3.6 |
| TOTALS | 15.0 | 12.9 |
| STAFF | 93 | 96 |
| Restructuring costs | 0.9 | 0.6 |
| Subsidiaries administration | 1.2 | 0.8 |

During 2001/02, management will conduct a survey of partners on their satisfaction with the effectiveness and efficiency of Forest Renewal BC's investments. An initial survey (cited in the *Annual Report 1999/00*), established baseline levels for the upcoming survey.

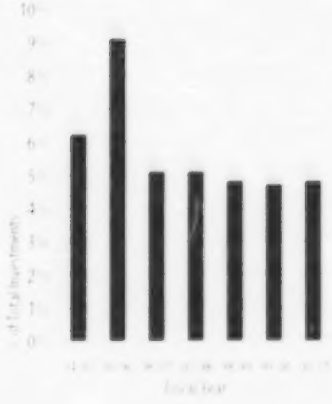


FIGURE 3: CORE FRBC ADMINISTRATION AS PER CENT OF PROGRAM EXPENDITURES

**TABLE 9: STRATEGIC OBJECTIVES SUMMARY**

2000/01 PROGRAM INVESTMENTS ($MILLIONS)

| Strategic Objective | Business Plan | Actual |
|---|---|---|
| Sustainable Harvest | 108.73 | 94.79 |
| Enhance Environmental Values | 58.78 | 62.90 |
| Strengthen Sustainable Forest Management | 81.30 | 81.32 |
| Strengthen and Expand the Value-added Sector | 20.20 | 21.23 |
| Support Forest Workers Through Transition | 16.06 | 2.74 |
| Support Forest Communities Experiencing Major Job Loss | 14.05 | 4.97 |
| Agency Program Costs | 2.50 | 2.84 |
| FRBC Core Administration | 15.00 | 12.90 |
| Restructuring Costs | 0.90 | 0.60 |
| Subsidiaries Administration | 1.20 | 0.80 |
| TOTALS | 318.72 | 285.09 |

During 2001/02, management will conduct a survey of partners on their satisfaction with the effectiveness and efficiency of Forest Renewal BC's investments. An initial survey (cited in the *Annual Report 1999/00*), established baseline levels for the upcoming survey.

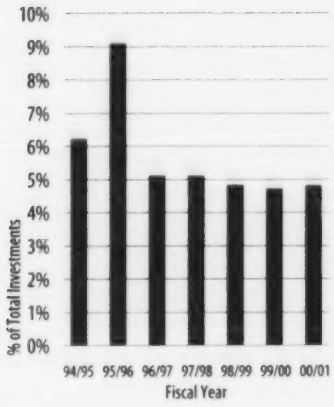
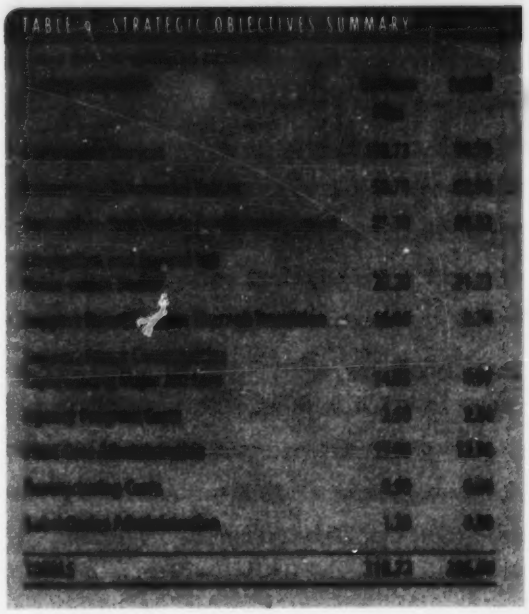



FIGURE 3: CORE FRBC ADMINISTRATION AS PER CENT OF PROGRAM EXPENDITURES



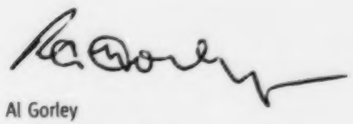
## MANAGEMENT REPORT

The consolidated financial statements of Forest Renewal BC for the year ended March 31, 2001 have been prepared by management in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. These consolidated financial statements present fairly the consolidated financial position of the Corporation as at March 31, 2001, and the results of operations and changes in cash flows for the year then ended.

Management is responsible for the preparation of the financial statements and has established a system of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial records provide reliable information for the preparation of financial statements.

The Board of Directors carries out its responsibility for the review of the financial statements through its Audit Committee. The Committee meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Audit Committee, with and without the presence of management.

The Auditor General of British Columbia has performed an independent audit of the consolidated financial statements of Forest Renewal BC. The Auditor's report outlines the scope of his examination and expresses an opinion on the statements.



Al Gorley
Chief Operating Officer

Alex Mackie
Controller

June 7, 2001



## REPORT OF THE AUDITOR GENERAL OF BRITISH COLUMBIA

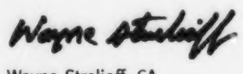
To the members of the Board of Directors
of Forest Renewal BC, and

To the Minister of Forests,
Province of British Columbia:

I have audited the consolidated statement of financial position of *Forest Renewal BC* as at March 31, 2001 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of *Forest Renewal BC* as at March 31, 2001 and the results of its operations and the changes in its net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Wayne Strelioff, CA
Auditor General

Victoria, British Columbia
June 7, 2001

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| As at March 31, | 2001 | 2000 |
|---|---|---|
| **ASSETS** | ($000) | ($000) |
| **Current assets** | | |
| Cash and short term investments (Note 3) | 373,345 | 307,399 |
| Due from Province of British Columbia | 80,268 | 209,256 |
| Accountable advances | 21,143 | 15,266 |
| Prepaid expenses | 101 | 54 |
| | **474,857** | **531,975** |
| **Long term investments (Note 4)** | 32,171 | 23,705 |
| **Capital assets (Note 5)** | 1,658 | 1,578 |
| | **508,686** | **557,258** |
| **LIABILITIES AND NET ASSETS** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities | 3,705 | 2,500 |
| Project expenditures payable | 68,528 | 54,752 |
| | **72,233** | **57,252** |
| **Net assets** | | |
| Appropriations (Notes 7, 8, 9) | 436,453 | 500,006 |
| | **508,686** | **557,258** |
| Commitments (Note 10) | | |
| Contingent liabilities (Note 11) | | |

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors

Garry Merkel, Director

Brian Northup, Director

## CONSOLIDATED STATEMENT OF OPERATIONS

| For the year ended March 31, | 2001 | 2000 |
|---|---|---|
| **REVENUES** | ($000) | ($000) |
| Statutory forest revenue | 187,099 | 301,516 |
| Investment and other income | 34,443 | 31,236 |
| | **221,542** | **332,752** |
| **EXPENDITURES** | | |
| Program expenditures (Schedule 1) | 270,790 | 314,495 |
| Administration (Note 6) | 14,305 | 17,075 |
| | **285,095** | **331,570** |
| **(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES** | **(63,553)** | **1,182** |

The accompanying notes are an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended March 31, 2001 ($000)

| | Appropriation for Program Continuity (Note 7) | Appropriation for Finance Purposes (Note 8) | Appropriation for Multi-Year Agreements (Note 9) | Unappropriated | Total 2001 | Total 2000 |
|---|---|---|---|---|---|---|
| Balance, beginning of year | 400,000 | 31,600 | 24,897 | 43,509 | 500,006 | 498,824 |
| Excess (deficiency) of revenues over expenditures | (20,044) | – | – | (43,509) | (63,553) | 1,182 |
| Transfers to (from) appropriations | (7,755) | 7,671 | 84 | – | – | – |
| **BALANCE, END OF YEAR** | **372,201** | **39,271** | **24,981** | **–** | **436,453** | **500,006** |

The accompanying notes are an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

| For the year ended March 31, | 2001 ($000) | 2000 ($000) |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Cash received from statutory forest revenue | 316,087 | 178,065 |
| Cash received from investment income | 34,443 | 31,236 |
| Cash paid for program expenditures | (262,853) | (314,386) |
| Cash paid for administrative expenditures | (12,619) | (25,786) |
| **CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES** | **75,058** | **(130,871)** |
| **CASH FLOWS USED IN INVESTING ACTIVITIES** | | |
| Increase in long-term investment | (8,466) | (9,205) |
| Acquisition of capital assets | (646) | (470) |
| | **(9,112)** | **(9,675)** |
| **INCREASE (DECREASE) IN CASH AND EQUIVALENTS** | **65,946** | **(140,546)** |
| **CASH AND EQUIVALENTS, BEGINNING OF THE YEAR** | **307,399** | **447,945** |
| **CASH AND EQUIVALENTS, END OF THE YEAR** (Note 3) | **373,345** | **307,399** |

The accompanying notes are an integral part of these financial statements.



## SCHEDULE OF PROGRAM EXPENDITURES BY REGION AND ACTIVITY AREA (SCHEDULE 1)

For the year ended March 31, 2001 ($000)

| REGION | ACTIVITIES: Land and Resources | Environment | Workforce | Communities | Value-added | 2001 TOTAL | 2000 TOTAL |
|---|---|---|---|---|---|---|---|
| Cariboo-Chilcotin | 16,833 | 11,128 | 453 | 424 | 3,379 | 32,217 | 29,676 |
| Kootenay-Boundary | 14,235 | 10,279 | 499 | 576 | 3,348 | 28,937 | 31,000 |
| Omineca-Peace | 35,386 | 14,831 | 510 | 451 | 3,488 | 54,666 | 60,344 |
| Pacific | 37,837 | 38,110 | 2,742 | 1,977 | 4,359 | 85,025 | 126,770 |
| Skeena-Bulkley | 16,147 | 11,290 | 959 | 531 | 3,317 | 32,244 | 29,850 |
| Thompson-Okanagan | 17,939 | 14,998 | 414 | 1,009 | 3,341 | 37,701 | 36,855 |
| **2001 TOTAL** | **138,377** | **100,636** | **5,577** | **4,968** | **21,232** | **270,790** | **–** |
| **2000 TOTAL** | **136,060** | **96,950** | **60,892** | **7,069** | **13,524** | **–** | **314,495** |

## ACTIVITY AREA OBJECTIVES

Land and Resources – to increase investment in the forest resource and in the forest land base.

Environment – to invest in the environmental values of the forests.

Workforce – to foster forest employment opportunities through job training and other related initiatives to assist forest workers and expand the forest workforce.

Communities – to support community development and adjustment.

Value-added – to promote activities that assist
i) forest industry diversification,
ii) the further processing of the wood supply, and
iii) increased manufacturing of wood products.

The accompanying notes are an integral part of these financial statements.

## 1. THE CORPORATION

Forest Renewal BC, a Crown corporation, was incorporated under the *Forest Renewal Act* on June 2, 1994. The purpose of Forest Renewal BC is to renew the forest economy of British Columbia, enhance the productive capacity and environmental value of forest lands, create jobs, provide training for forest workers and strengthen communities.

Under the *Forest Renewal Act*, Forest Renewal BC is entitled to 80 per cent of the increases in stumpage and royalty revenue attributable to changes in rates or stumpage fees under the *Forest Act* that have been implemented since April 30, 1994, less an annual offset of up to $50 million. Effective June 1, 1998, the percentage of revenue received by Forest Renewal BC varies based on a new pricing structure.

The Corporation is exempt from federal and provincial income taxes.

## 2. SIGNIFICANT ACCOUNTING POLICIES

**Consolidated Financial Statements** are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations and include the assets, liabilities, revenues and expenditures of Forest Renewal BC and its 100% owned subsidiaries, New Forest Opportunities Ltd. and Office of the Jobs and Timber Accord Advocate Inc.

**New Forest Opportunities Ltd.** was incorporated on November 19, 1997. New Forest Opportunities Ltd. was established as a forest worker agency to assist Pacific Region forest workers who are being displaced during the current transition in the forest sector. New Forest Opportunities Ltd. assesses eligible workers, equips them with new skills and gives them priority placement for work on Forest Renewal BC land-based projects.

**Office of the Jobs and Timber Accord Advocate Inc.** was incorporated on March 24, 1998 and commenced operations April 1, 1998. The company was established to monitor the effectiveness of the Jobs and Timber Accord and ensure its timely implementation, monitor ongoing efforts to maintain and increase the employment base of the B.C. forest industry, and enforce the provisions of the accord to ensure a high degree of compliance. The Office of the Jobs and Timber Accord Advocate Inc. completed this role in October 2000 and was dissolved effective October 31, 2000. The outstanding assets and liabilities were incorporated into Forest Renewal BC's operations.

**Short-Term Investments** are carried at the lower of cost and market value.

**Capital Assets** are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. Assets costing less than $5,000 are expensed in the year purchased. Capital assets are amortized on the straight-line basis over their estimated useful lives as follows:

| | |
|---|---|
| Building and leasehold improvements | 20 years |
| Automobiles | 5 years |
| Computer hardware | 3 to 5 years |
| Computer software | 3 to 5 years |
| Office equipment | 2 years |

**Revenue** from stumpage and royalties is recognized for all timber scaled in the fiscal year.

**Use of Estimates.** The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make

M121

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estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates.

## 3. CASH AND SHORT-TERM INVESTMENTS ($000)

| | 2001 Cost | 2001 Market Value | 2000 Cost | 2000 Market Value |
|---|---|---|---|---|
| Cash | 5,774 | 5,774 | 14,697 | 14,697 |
| Term deposits | 14,895 | 14,895 | 22,466 | 22,466 |
| Investments – Provincial Treasury | 353,062 | 352,676 | 270,236 | 276,912 |
| TOTAL | 373,731 | 373,345 | 307,399 | 314,075 |

## 4. LONG-TERM INVESTMENTS ($000)

| | 2001 | 2000 |
|---|---|---|
| Deposit in pooled investment fund as loan assistance for infrastructure projects. Interest paid quarterly. Repayable March 31, 2008. | | |
| Municipal Finance Authority of British Columbia | 10,000 | 10,000 |
| Deposits in managed investment funds – Income earned up to specified maximums can be used by the universities for endowment program expenditures. Repayable March 15, 2029 to 2031. | | |
| University of British Columbia | 5,206 | 4,500 |
| University of Northern BC | 6,893 | 5,885 |
| Simon Fraser University | 3,568 | 3,400 |
| Okanagan University College | 3,500 | – |
| A six-year agreement renewable at July 31, 2001. | | |
| Kootenay School of Fine Arts | 1,000 | – |
| Deposit with the Provincial Treasury – Income earned in the fund will be used by the B.C. Wood Specialties Group starting in 2004. The fund was established March 29, 2001 and continues until March 31, 2024. | | |
| B.C. Wood Legacy Fund | 2,004 | – |
| TOTAL | 32,171 | 23,785 |

estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates.

## 3. CASH AND SHORT-TERM INVESTMENTS ($000)

| | 2001 Cost | 2001 Market Value | 2000 Cost | 2000 Market Value |
|---|---|---|---|---|
| Cash | 5,774 | 5,774 | 14,697 | 14,697 |
| Term deposits | 14,895 | 14,895 | 22,466 | 22,466 |
| Investments – Provincial Treasury | 353,062 | 352,676 | 270,236 | 276,912 |
| **TOTAL** | **373,731** | **373,345** | **307,399** | **314,075** |

## 4. LONG-TERM INVESTMENTS ($000)

| | 2001 | 2000 |
|---|---|---|
| Deposit in pooled investment fund as loan assistance for infrastructure projects. Interest paid quarterly. Repayable March 31, 2008. | | |
| Municipal Finance Authority of British Columbia | 10,000 | 10,000 |
| Deposits in managed investment funds – Income earned up to specified maximums can be used by the universities for endowment program expenditures. Repayable March 15, 2029 to 2031. | | |
| University of British Columbia | 5,206 | 4,500 |
| University of Northern BC | 6,893 | 5,805 |
| Simon Fraser University | 3,568 | 3,400 |
| Okanagan University College | 3,500 | – |
| A six-year agreement renewable at July 31, 2001. | | |
| Kootenay School of Fine Arts | 1,000 | – |
| Deposit with the Provincial Treasury – Income earned in the fund will be used by the B.C. Wood Specialties Group starting in 2004. The fund was established March 29, 2001 and continues until March 31, 2024. | | |
| B.C. Wood Legacy Fund | 2,004 | – |
| **TOTAL** | **32,171** | **23,705** |

## 5. CAPITAL ASSETS ($000)

| | Cost | Accumulated Amortization | 2001 NBV | 2000 NBV |
|---|---|---|---|---|
| Building | 867 | 130 | 737 | 780 |
| Leasehold improvements | 149 | 36 | 113 | 127 |
| Automobiles | 134 | 57 | 77 | 97 |
| Computer hardware | 1,175 | 1,155 | 20 | 14 |
| Computer software | 2,208 | 1,497 | 711 | 558 |
| Office equipment | 6 | 6 | – | 2 |
| TOTAL | 4,539 | 2,881 | 1,658 | 1,578 |

## 6. ADMINISTRATION ($000)

| | 2001 | 2000 |
|---|---|---|
| Salaries, wages and benefits | 7,071 | 8,539 |
| Professional services | 2,847 | 2,959 |
| Advertising and publications | 362 | 548 |
| Information systems | 742 | 812 |
| Building occupancy | 932 | 1,537 |
| Staff travel | 780 | 961 |
| General operating | 824 | 957 |
| Furniture and equipment | 17 | 17 |
| Amortization | 528 | 590 |
| Board expenses | 202 | 155 |
| TOTAL | 14,305 | 17,075 |

## 7. APPROPRIATION FOR PROGRAM CONTINUITY

The appropriation for program continuity was established to ensure that funds are available to cover program commitments in years when Forest Renewal BC revenues fall below existing and anticipated program commitments.

## 8. APPROPRIATION FOR FINANCE PURPOSES

The appropriation for finance purposes consists of funds set aside to fully cover:

- those current assets, established under agreements, that are held by entities to enable them to finance program objectives, and
- long-term investments provided to entities to enable them to finance long-term program objectives.

The appropriation was increased by $7.7 million during the year ended March 31, 2001 ($15 million for fiscal 2000), primarily to include increases in the managed funds held by B.C. universities and to accommodate other newly identified long-term investments. It also includes changes in the value of the current assets held in this appropriation.

## 9. APPROPRIATION FOR MULTI-YEAR AGREEMENTS

The appropriation for multi-year agreements was established to appropriate, for future years, those unspent funds committed annually under these agreements, and to appropriate certain other funds committed for long-term projects.

During the year ended March 31, 2001, $148.3 million (including $17.2 million in long-term commitments) was transferred to the appropriation, and $148.2 million was spent by recipients. This resulted in a net increase to the appropriation of $84,000. (Fiscal 2000, $136 million was transferred to the appropriation, of which $133 million was spent by recipients, increasing the appropriation by $3 million.)

## 10. COMMITMENTS

(a) Forest Renewal BC has entered into facilities leases for office space in Victoria, Kamloops, Williams Lake, Prince George, Cranbrook, Nanaimo, Campbell River and Smithers, expiring on various dates to 2006. The Corporation also leases vehicles. Future minimum payments under these leases are as follows:

| Year | ($000) |
|---|---|
| 2002 | 921 |
| 2003 | 664 |
| 2004 | 518 |
| 2005 | 408 |
| 2006 | 86 |
| TOTAL | 2,597 |

(b) Forest Renewal BC has contracted project commitments, some of which were entered into subsequent to March 31, 2001, that carry over to subsequent years, as follows:

| Year | ($000) |
|---|---|
| 2002 | 160,795 |
| 2003 | 148,070 |
| 2004 | 128,437 |
| 2005 | 122,861 |
| Subsequent Years | 90,025 |
| TOTAL | 650,188 |

## 11. CONTINGENT LIABILITIES

Forest Renewal BC has entered into agreements through which it indemnifies loans advanced by various lenders, mainly financial institutions, to support the Communities and Value-added programs. As at March 31, 2001 Forest Renewal BC has the following indemnities outstanding:

- Canadian Imperial Bank of Commerce – 85% of loans outstanding. (Current indemnification $189,733 – no further loans are being provided under this program. Fiscal 2000 indemnification was $210,000.)
- BC Advanced Systems Institute – up to the amount of the loans outstanding with respect to the Forest Innovation Development Fund. (Current indemnification $3,240,863. Fiscal 2000 indemnification was $3 million.)
- Business Development Bank – 90% of loans outstanding. (Current indemnification is $1,054,518. Fiscal 2000 indemnification was $0.)

Forest Renewal BC is the defendant in a class action claim involving the personal income tax liabilities incurred by recipients of benefits under one of Forest Renewal BC's programs. A statement of claim was filed in January 2001, however, the amount and outcome of the action cannot be estimated at this time.

## 12. EMPLOYEE BENEFIT PLANS

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The Public Service Pension Plan is a multi-employer, defined-benefit plan and is available to substantially all of the Corporation employees. On behalf of employers, the British Columbia Pension Corporation administers the Plan, including payment of pension benefits to employees to whom the *Act* applies. The most recent actuarial valuation (March 31, 1999) has determined that the Plan is in a surplus position. Effective January 1, 2001, the Public Service Pension Plan's management changed to a joint trusteeship whereby the management, risk and benefits are shared between the employees and employers.

The Corporation also contributes, through the provincial government payroll system, for specific retirement benefits as provided for under the collective agreements and conditions of employment. The cost of these employee future benefits is recognized as an expense in the year that contributions are paid. The Province of British Columbia retains the ultimate liability for the retirement benefits.

## 13. RELATED-PARTY TRANSACTIONS

The Corporation is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, considered to be in the normal course of operations, are recorded at cost for program delivery, and at normal commercial terms for other administrative services.

Ministries, agencies and Crown corporations accounted for 29% (fiscal 2000 was 36.4%) of program expenditures and 16% (fiscal 2000 was 18.6%) of administrative expenditures.

## 14. SUBSEQUENT EVENTS

Forest Renewal BC was directed by an order-in-council from the British Columbia government to set up a trust fund in the amount of $10 million (with up to $25 million in additional funds) to help mitigate the impact on forest workers and contractors of a land-use decision on the Central Coast.

## 15. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been restated to conform to the current year presentation.

## APPENDIX A

### FOREST RENEWAL BC FUNDING PRINCIPLES

**Consistency with corporate mandate**

Forest Renewal BC will fund only those proposals that are consistent with its mandate tc renew the forest economy of British Columbia by enhancing the productive capacity and environmental values of forest lands, creating jobs, providing training for forest workers, and strengthening local communities that depend on the forest industry.

**Incrementality**

Forest Renewal BC funds should be used to expand the overall level of investment in the forest economy, rather than displace existing spending. Forest Renewal BC will only invest in programs and projects that would not otherwise be undertaken by government or project proponents.

**Wise spending**

Projects funded by Forest Renewal BC should demonstrate economy of delivery, efficiency of operation, and effectiveness in achieving desired results.

**Regional equity and sensitivity**

Forest Renewal BC-funded projects should contribute to the corporation's goals of obtaining regional input into decision-making and delivering regionally equitable programming.

**First Nations participation**

To the greatest extent possible, projects funded by Forest Renewal BC should encourage the participation of First Nations.

**Community stability**

Forest Renewal BC-funded projects should help enhance long-term community stability and emphasize local employment.

**Jobs**

Forest Renewal BC investments should sustain or create jobs, or help create conditions that support permanent jobs.

**Sustainability**

Forest Renewal BC investments should promote sustainability by integrating environmental, economic and social objectives and benefits.

**Environmental values**

Projects funded by Forest Renewal BC should contribute to restoring and maintaining the ecological integrity and environmental sustainability of the forests.

## APPENDIX B

FOREST RENEWAL BC BOARD OF DIRECTORS

**Roger Stanyer, Duncan**
Chief Executive Officer and Chair of the Board,
Forest Renewal BC

**Peter Beulah, Penticton**
President, Greenwood Forest Products (1983) Ltd.

**Ric Careless, Gibsons**
Executive Director, BC Spaces for Nature

**Linda Coady, Vancouver**
Vice-President, Environmental Enterprise,
Weyerhaeuser Canada Ltd.

**Lee Doney, Victoria**
Deputy Minister, Ministry of Forests

**David Haggard, Port Alberni**
National President, IWA-Canada

**Donald Hayes, North Cowichan**
President, Hayes Forest Services Ltd.

**JoAnne Kineshanko, Lumby**
Mayor, Village of Lumby

**Ron Lind, Prince George**
President, Dollar Saver Lumber

**Blair Mayes, Prince George**
General Manager, Dunkley Lumber Ltd.

**Garry Merkel, Kimberley**
Vice-Chair, Columbia Basin Trust

**Dave Neads, Anahim Lake**
Executive Director, Cariboo-Chilcotin
Conservation Society

**Brian Northup, Smithers**
Mayor of Smithers

**George Watts, Port Alberni**
Principal, Imhahup Consulting Group

## APPENDIX C

FOREST RENEWAL BC ADVISORY COMMITTEES

### FOREST RESOURCES COMMITTEE

Makes recommendations to the Forest Renewal BC board of directors on investments in forest resources and the forest land base.

**Dave Haggard** (Chair), IWA-Canada
**Bill Bourgeois,** Lignum Ltd.
**Bruce Ernst,** Cariboo Woodlot Association
**Scott Forrest,** S.M. Forrest & Associates Ltd.
**Shirley Gilmour,** Abitibi-Consolidated Inc.
**Mark Haddock,** environmental lawyer
**Tony Harrison,** Zanzibar Holdings Ltd.
**Rhona Martin,** Columbia-Shuswap Regional District
**Jim Maxwell,** Ministry of Forests
**Henry Moore,** Nisga'a Tribal Council
**Es Preus,** Timfor Contractors Ltd.
**Roger Stanyer,** Forest Renewal BC

### ENVIRONMENT COMMITTEE

Makes recommendations to the Forest Renewal BC board on investing in the environmental values of the forest.

**Ric Careless** (Chair), BC Spaces for Nature
**Dave Neads** (Co-Chair), Cariboo-Chilcotin Conservation Society
**Ralph Archibald,** Ministry of Forests
**Ken Baker,** Green Economy Secretariat
**Jim Cooperman,** Shuswap Environmental Action Society
**Wes Giesbrecht,** Bulkley Valley Community Resources Board
**Rick Jeffery,** Truck Loggers Association
**Don Laishley,** Forintek Canada Corp.
**Karen Nyce,** Smithers
**Loni Parker,** Columbia-Shuswap Regional District
**Paul Senez,** BC Environmental Network
**Judy Stratton,** Northern Ecology Watch
**Roger Stanyer,** Forest Renewal BC
**Greg Utzig,** Kutanai Nature Investigations
**Rodney Willis,** Weyerhaeuser Canada Ltd.
**Paul Zeegers,** Communications, Energy & Paperworkers Union of Canada

### WORKFORCE COMMITTEE

Makes recommendations to the Forest Renewal BC board on fostering employment opportunities, job training and related initiatives to assist forest workers and expand the forest workforce.

**Garry Merkel** (Chair), Columbia Basin Trust
**Bob Beard,** consultant
**John Betts,** Western Silviculture Contractors Association
**Alice Downing,** Canadian Forest Products Ltd.
**Kerry Jothan,** Industry, Training and Apprenticeship Commission
**Gordon Prest,** Faculty of Forestry, University of British Columbia
**Bill Routley,** IWA-Canada
**Roger Stanyer,** Forest Renewal BC
**Paul West,** Environmental Studies Program, University of Victoria
**Fred Wilson,** Communications, Energy & Paperworkers Union of Canada

### COMMUNITIES COMMITTEE

Makes recommendations to the Forest Renewal BC board on supporting forest-based community development and adjustment.

**George Watts** (Chair), Tseshaht First Nation
**Joanne Kineshanko** (Co-Chair), Village of Lumby
**Muriel Dodge,** Cariboo Economic Action Forum
**Charlie Lasser,** District of Chetwynd

**Corinne Lonsdale,** District of Squamish

**Jim Lornie,** District of Campbell River

**Libby Nelson,** Village of Fruitvale

**Roger Stanyer,** Forest Renewal BC

**Mike Tarr,** Northern Savings Credit Union

**Suzanne Veit,** Ministry of Municipal Affairs

VALUE-ADDED COMMITTEE

Makes recommendations to the Forest Renewal BC board on investments that assist forest industry diversification, further processing of the wood supply, and increased manufacturing of wood products.

**Peter Beulah** (Chair), Greenwood Forest Products (1983) Ltd.

**Harvey Arcand,** IWA-Canada

**Bob Bird,** Canwood Furniture Inc.

**Del Blackstock,** H&D Enterprises

**Trevor Buddo,** Tyee Timber Products Ltd.

**Russ Cameron,** Lindal Cedar Homes

**David Cohen,** Faculty of Forestry, University of British Columbia

**George Cousineau,** Vancouver Island Association of Wood Processors

**Russ Dowdeswell,** Log Building Association of B.C.

**Joan Easton,** Ministry of Forests

**Manson Gilligan,** Evans Forest Products Co. Ltd.

**Ken Kalesnikoff,** Kalesnikoff Lumber Co. Ltd.

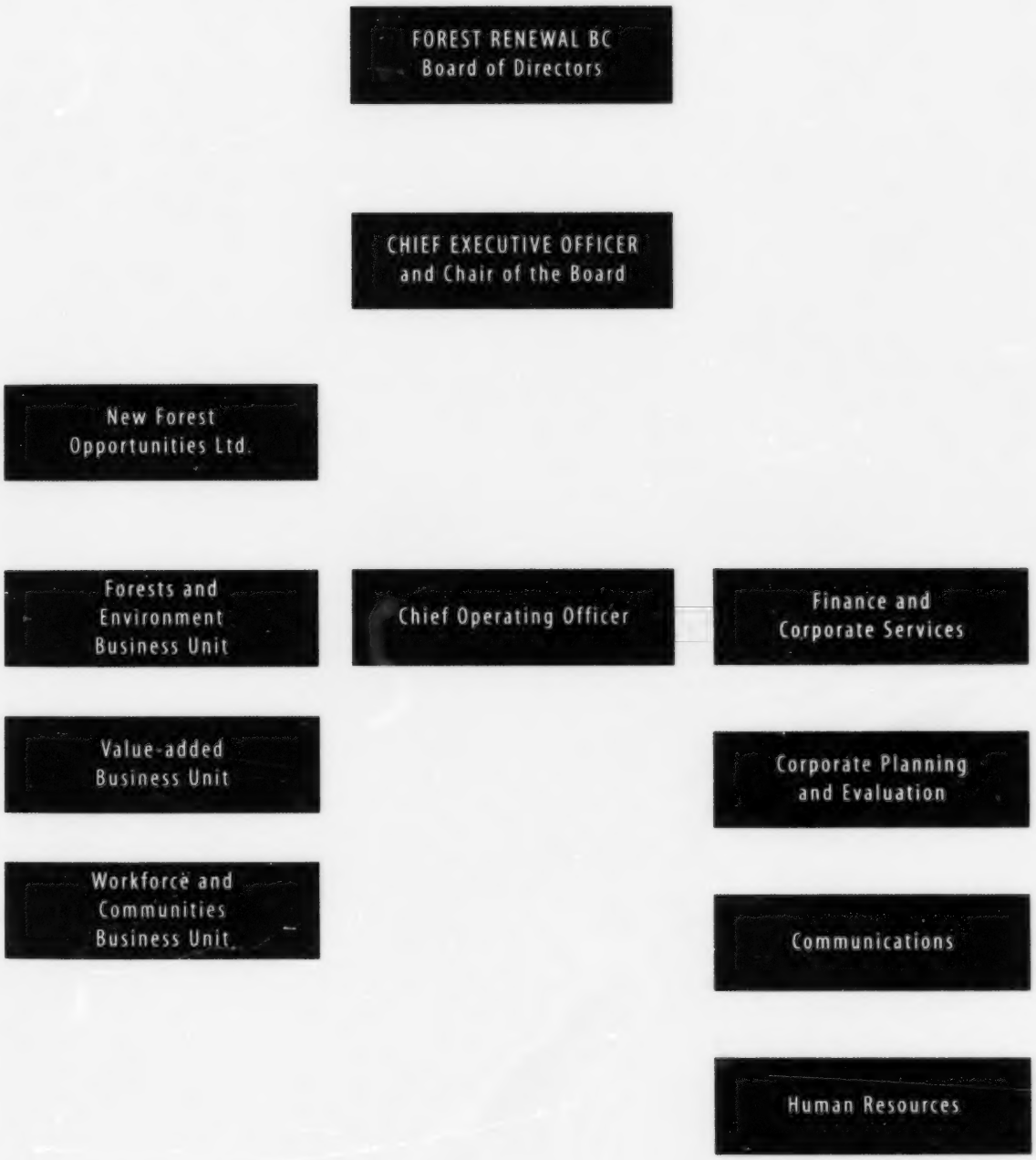
**Bill Reedy,** Gorman Bros. Lumber Ltd.

**Roger Stanyer,** Forest Renewal BC

**Wayne Ward,** Northern Capital Wood Products

## APPENDIX D

FOREST RENEWAL BC ORGANIZATIONAL STRUCTURE



## APPENDIX E

FOREST RENEWAL BC OFFICES

**Victoria**
9th Floor, 727 Fisgard Street
PO Box 9908 STN PROV GOVT
Victoria, BC V8W 9R1
Phone 250-387-2500 in Greater Victoria
Toll-free 1-800-663-7867
(ask for transfer to 387-2500)
Fax 250-387-3334
E-mail forestrenewal@canada.com

**Cariboo-Chilcotin Region**
150 North 1st Avenue
Williams Lake, BC V2G 1Y8
Phone 250-398-4900
Fax 250-398-4898

**Kootenay-Boundary Region**
45-8th Avenue South
Cranbrook, BC V1C 2K4
Phone 250-426-1617
Fax 250-426-1618

**Omineca-Peace Region**
707-299 Victoria Street
Prince George, BC V2L 5B8
Phone 250-565-4400
Fax 250-565-4409

**Pacific Region**
215-1180 Ironwood Street
Campbell River, BC V9W 5P7
Phone 250-286-7717
Fax 250-286-7720

**Skeena-Bulkley Region**
3790 Alfred Avenue
Bag 5000
Smithers, BC V0J 2N0
Phone 250-847-7838
Fax 250-847-7840

**Thompson-Okanagan Region**
478 St. Paul Street
Kamloops, BC V2C 2J6
Phone 250-371-3922
Fax 250-371-3933